

843. By Mr. CORNING: Petition of the Paper Makers' Felt Association, protesting against the passage of the 30-hour week bill; to the Committee on Labor.

844. By Mr. DINGELL: Memorial of Common Council of the city of Detroit, Mich., requesting the President to maintain the National Guard and Naval Reserve and the efficiency thereof by continuing the appropriations heretofore made for said organizations; to the Committee on Appropriations.

845. By Mr. GOODWIN: Resolution of the Catskill Post, No. 110, American Legion, Catskill, Greene County, N.Y., unanimously pledging its support to the President of the United States, and unalterably opposing any public demonstration by any veterans' organization or group of veterans that would hinder or work harm to the President in his efforts to place the Nation on a sound economic basis, and will do their part to prevent such demonstration, and so forth; to the Committee on Ways and Means.

846. Also, petition of the First National Bank & Trust Co., Roscoe; National Bank of Liberty, Liberty; Tanners National Bank of Catskill; First National Bank & Trust Co., Saugerties; Farmers & Merchants Bank, Cobleskill; Livingston Manor National Bank, Livingston Manor; Catskill National Bank & Trust Co., Catskill; and Otsego-Schohaire Bankers Association, Middleburgh, located in the Twenty-seventh Congressional District of New York State, desiring to register their belief that publicity which has been given to loans made to banks by the Reconstruction Finance Corporation has proved harmful to the banks; to the Committee on Banking and Currency.

847. By Mr. GRANFIELD: Memorial of Massachusetts House of Representatives, urging reasonable tariff protection for the fishing industry in the United States; to the Committee on Ways and Means.

848. Also, petition of Waltham (Mass.) Post, No. 156, the American Legion, protesting against further cuts in veterans' appropriations which would eliminate all Veterans' Bureau regional offices; to the Committee on World War Veterans' Legislation.

849. By Mr. JOHNSON of Texas: Telegram from Texas Theater Owners, Roy L. Walker, president, opposing Sirovich resolution to investigate motion-picture business; to the Committee on Rules.

850. Also, petition of C. W. Byrd, cashier, C. F. Borg, superintendent Corsicana Grader & Machine Co., Corsicana, Tex., opposing House bill 4557 and Senate bill 158; to the Committee on Labor.

851. By Mr. LESINSKI: Petition of Central Cooperative Wholesalers, Superior, Wis., advocating 5-day workweek, 6 hours per day; to the Committee on Labor.

852. Also, petition of Common Council of the City of Detroit, urging continuance of appropriations for the maintenance of the National Guard and Naval Reserve forces; to the Committee on Appropriations.

853. By Mr. LINDSAY: Petition of Central Trades and Labor Council of Greater New York and vicinity, urging reconsideration of reduction of salaries of Federal employees; to the Committee on Ways and Means.

854. Also, petition of Brooklyn Chamber of Commerce, Brooklyn, N.Y., opposing House bill 4681, introduced by Mr. DISNEY; to the Committee on Interstate and Foreign Commerce.

855. Also, petition of Vick Chemical Co., manufacturing chemists, New York City, opposing House Joint Resolution No. 161; to the Committee on Ways and Means.

856. Also, petition of Brooklyn Chamber of Commerce, Brooklyn, N.Y., favoring House bill 4677, the Sutphin bill; to the Committee on Rivers and Harbors.

857. By Mr. McCLINTIC: Resolution memorializing Congress to urge the passage by Congress of an act appropriating funds for Federal-aid highway construction, to be distributed among the various States of the Union for the relief and to provide work for the unemployed; to the Committee on Roads.

858. Also, concurrent resolution memorializing Congress to provide relief for the oil industry, the farmers, the unem-

ployed, business, and the people generally by providing an adequate tariff or tax on oil that will place the domestic oil industry on a competitive basis with imported oil as shown by the reports of the Tariff Commission; to the Committee on Ways and Means.

859. By Mr. RUDD: Petition of the Vick Chemical Co., New York City, opposing the passage of House Joint Resolution No. 161; to the Committee on Ways and Means.

860. Also, petition of Central Trades and Labor Council of Greater New York, protesting against the 15 percent reduction in pay of Federal employees, and urging a reconsideration of this reduction; to the Committee on Appropriations.

861. By Mr. TINKHAM: Resolutions endorsed by the Massachusetts State Union of Women's Clubs; to the Committee on the Judiciary.

862. By the SPEAKER: Petition of the Interdenominational Churchmen's Committee in Philadelphia, submitting a plan for the banishment of poverty; to the Committee on Ways and Means.

863. Also, petition of the Reserve and National Guard Officers' mess of Los Angeles, Calif., relative to the national defense; to the Committee on Military Affairs.

864. Also, petition of the city of Los Angeles, urging that the necessity of persons' taking the pauper's oath in order to obtain relief from the Government be eliminated; to the Committee on Ways and Means.

865. Also, petition of the county of Los Angeles, relative to the establishment of the 5-day 30-hour week; to the Committee on Labor.

SENATE

WEDNESDAY, MAY 3, 1933

(Legislative day of Monday, May 1, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Keyes	Robinson, Ark.
Ashurst	Cutting	King	Robinson, Ind.
Austin	Dale	La Follette	Russell
Bachman	Dickinson	Logan	Sheppard
Bankhead	Dill	Loneragan	Shipstead
Barbour	Duffy	Long	Smith
Barkley	Erickson	McAdoo	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Bratton	George	McNary	Townsend
Brown	Glass	Metcalf	Trammell
Bulkley	Goldsborough	Murphy	Tydings
Bulow	Gore	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hastings	Nye	Walcott
Caraway	Hatfield	Overton	Walsh
Clark	Hayden	Patterson	Wheeler
Connally	Hebert	Pittman	White
Coolidge	Johnson	Pope	
Copeland	Kean	Reed	
Costigan	Kendrick	Reynolds	

Mr. REED. I wish to announce that my colleague the junior Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

Mr. KENDRICK. I wish to announce that the senior Senator from Illinois [Mr. LEWIS], the junior Senator from Illinois [Mr. DIETERICH], and the Senator from North Carolina [Mr. BAILEY] are necessarily detained from the Senate. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

FUNCTIONS OF THE CIVIL SERVICE COMMISSION (S.DOC. NO. 55)

The VICE PRESIDENT laid before the Senate a letter from the secretary of the United States Civil Service Commission, submitting, pursuant to Senate Resolution 351, Seventy-second Congress, a detailed report as to the func-

tions of the Commission, including accounting, disbursing, collecting, purchasing, and personnel, together with citations of the authority for the performance of such functions and the annual cost thereof based on the fiscal year ended June 30, 1932, also a list of employees receiving compensation at the rate of \$5,000 or more per annum, which, with the accompanying papers, was ordered to lie on the table and to be printed.

FUNCTIONS OF THE BUREAU OF EFFICIENCY (S.DOC. NO. 54)

The VICE PRESIDENT laid before the Senate a letter from the Chief of the United States Bureau of Efficiency, submitting, pursuant to Senate Resolution 351, Seventy-second Congress, a report as to the functions of the Bureau of Efficiency, the statutory authority therefor, and the total annual expenditures thereon, etc., also a list of employees receiving compensation at the rate of \$5,000 or more per annum, which was ordered to lie on the table and to be printed.

(NOTE.—Under section 409 of the 1934 Treasury and Post Office Departments Appropriation Act of March 3, 1933, the Bureau of Efficiency will cease to exist on May 31, 1933.)

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Pennsylvania, which was referred to the Committee on Manufactures:

IN THE SENATE OF PENNSYLVANIA,
April 26, 1933.

Whereas the Commonwealth of Pennsylvania now taxes gasoline 3 cents per gallon, and exacts special registration fees on all motor vehicles, while the Federal Government also taxes gasoline, motor vehicles, and accessories; and

Whereas there is demand from certain special interests for legislation to compel blending of alcohol with gasoline; and

Whereas such blending would increase the price of gasoline about 3 cents per gallon, amounting to a special tax on the already overburdened motorist; and

Whereas the only beneficiaries would be the manufacturers of alcohol: Therefore be it

Resolved (if the house of representatives concur), That Congress of the United States is requested to reject any legislation to compel blending alcohol with gasoline.

Resolved, That certified copies of this resolution be forwarded by the chief clerk of the house of representatives to each branch of the Congress and to each Senator and Representative from Pennsylvania in Congress of the United States.

The foregoing is a true and correct copy of the resolution adopted by the senate the 26th day of April 1933 and concurred in by the house of representatives the 26th day of April 1933.

[SEAL]

JOHN E. MCKIRDY,
Chief Clerk, Senate.

E. F. WHITE,
Chief Clerk, House of Representatives.

E. C. SHANNON,
President, Senate of Pennsylvania.

The VICE PRESIDENT also laid before the Senate a resolution adopted by Colonel John Jacob Astor Camp, No. 6, United Spanish War Veterans, United States Soldiers' Home, Washington, D.C., endorsing the provisions of the National Defense Act of 1916, and favoring the full-strength maintenance of the Army and Navy, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the Reserve and National Guard Officers' Mess, of Los Angeles, Calif., favoring the maintenance of the national defense and the making of adequate appropriations for the support of the Army and Navy and all auxiliaries, which were referred to the Committee on Appropriations.

He also laid before the Senate the petition of the Alumni Association of the Central High School, of Washington, D.C. (by its advisory board), praying for the full maintenance of the instrumentalities for instruction in all the graded and high schools of the city of Washington, and protesting against reductions in salaries of the teaching forces, which was ordered to lie on the table.

He also laid before the Senate a memorial and several letters and telegrams in the nature of memorials from sundry citizens of the State of Louisiana, endorsing Hon. HUEY P. LONG, a Senator from the State of Louisiana, condemning attacks made upon him, and remonstrating against a sena-

torial investigation of his alleged acts and conduct, which were referred to the Committee on the Judiciary.

Mr. TYDINGS presented a concurrent resolution adopted by the Legislature of Puerto Rico, favoring amendment of pending legislation, authorizing the Reconstruction Finance Corporation to make loans to certain hospitals by extending the benefits of such legislation to Puerto Rico, which was referred to the Committee on Banking and Currency.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 2d instant, p. 2654, CONGRESSIONAL RECORD.)

Mr. TYDINGS also presented a resolution adopted by the Leaf Tobacco Association, of Baltimore, Md., favoring the reestablishment of international trade in all commodities through reciprocal tariff-and-trade agreements, by which a horizontal reduction of schedules in all countries will be effected, trade restrictions modified, and barter agreements abolished, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Chamber of Commerce of Honolulu, Hawaii, protesting against the proposed transfer of the United States Hydrographic Office from the Navy Department to the Department of Commerce, which was referred to the Committee on Naval Affairs.

PERSECUTION OF THE JEWS IN GERMANY

Mr. ASHURST. Mr. President, I present an important petition in the nature of a memorial signed by a large number of representative worthy citizens of Douglas, Ariz., protesting the action of the Hitler government against Jews in Germany. I ask that the memorial be referred to the Committee on Foreign Relations for early consideration.

The VICE PRESIDENT. Without objection, the memorial will be referred as requested.

REPORTS OF COMMITTEES

Mr. KENDRICK, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 324) to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes, reported it without amendment and submitted a report (No. 50) thereon.

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 1513) to amend Public Act No. 435 of the Seventy-second Congress, relating to sales of timber on Indian land, reported it without amendment.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 555) to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located, reported it without amendment.

EXECUTIVE REPORT OF THE FINANCE COMMITTEE

As in executive session,

Mr. CONNALLY, from the Committee on Finance, reported favorably the nomination of Jed C. Adams, of Texas, to be a member of the Board of Tax Appeals for the unexpired portion of a term of 12 years from June 2, 1932, which was ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER (for Mr. SCHALL):

A bill (S. 1561) providing for payment of \$100 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. TOWNSEND:

A bill (S. 1562) granting the consent of Congress to the Levy Court of Sussex County, Del., to reconstruct a bridge across the Deep Creek at Cherry Tree Landing, Sussex County, Del.; to the Committee on Commerce.

By Mr. McNARY:

A bill (S. 1563) providing for the purchase of a site and the erection thereon of a public building for the use of station "A", a station of the post office at Portland, Oreg.; to the Committee on Public Buildings and Grounds.

By Mr. TYDINGS:

A bill (S. 1564) to revive and reenact the act entitled "An act authorizing the Great Falls Bridge Co. to construct, maintain, and operate a bridge across the Potomac River at or near Great Falls", approved April 21, 1928; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 1565) for the relief of Rene Hooge, a minor; to the Committee on Claims.

A bill (S. 1566) for the payment of the claims of citizens of the United States against the Republic of Mexico; to the Committee on Foreign Relations.

A bill (S. 1567) for the relief of Claude W. Shelton; and

A bill (S. 1568) to repeal certain provisions of the act of February 25, 1929, entitled "An act to authorize appropriations for construction at military posts, and for other purposes", and the act of July 3, 1930, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1930, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1930, and June 30, 1931, and for other purposes"; to the Committee on Military Affairs.

By Mr. REED:

A bill (S. 1569) for the relief of several trust companies; and

A bill (S. 1570) for the relief of the Liberty Title & Trust Co., successors to German American Title & Trust Co., of Philadelphia, Pa.; to the Committee on Claims.

A bill (S. 1571) granting an increase of pension to Helen G. Mercur; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 1572) for the relief of Berle C. Palmer; to the Committee on Military Affairs.

By Mr. JOHNSON:

A bill (S. 1573) for the relief of Joseph Duncan Smedberg; to the Committee on Military Affairs.

AMENDMENT TO DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. COUZENS submitted amendments intended to be proposed by him to House bill 4589, the District of Columbia appropriation bill, which were ordered to lie on the table, as follows:

On page 8, line 14, to strike out "installation and modification of electric traffic lights, signals, and control."

On page 8, line 18, to strike out "\$45,000" and insert "\$10,000."

PRODUCTION COSTS OF GOAT, KID, AND CABRETTE LEATHERS

Mr. REED submitted a resolution (S.Res. 68), which was ordered to lie over under the rule, as follows:

Resolved, That the United States Tariff Commission is hereby directed to investigate, for the purpose of section 336 of the Tariff Act of 1930, the differences in the cost of production between the domestic article and the foreign article, and to report at the earliest date practicable, upon goat, kid, and cabretta leathers.

REMONETIZATION OF SILVER

Mr. WHEELER. I ask unanimous consent to submit a resolution stating in substance that it is the sense of the Senate of the United States that the delegates appointed by the President to the international economic conference shall work unceasingly for the remonetization of silver. I ask that the resolution lie on the table temporarily, and I desire to state now that at the first opportunity I shall ask that it be brought up.

I also ask that there be inserted in the CONGRESSIONAL RECORD a statement by about 100 Members of the House of Representatives, directed to the President of the United States, stating that they favor the remonetization of silver.

I ask that both the resolution which I have introduced and also this statement may be printed in full in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER (Mr. POPE in the chair). Without objection, that order will be made.

The resolution (S.Res. 67) is as follows:

Whereas the whole world, including the United States of America, is suffering from an unprecedented depression, resulting in unemployment, starvation, falling commodity prices, and the collapse of the financial structure which in turn threatens to destroy our present social and economic system; and

Whereas all thoughtful students of economics and finance are agreed that one of the chief causes of this depression is due to the shortage and maldistribution of gold which is today the primary money of the world, seven creditor nations having \$9,000,000,000 of gold out of a total world supply of about \$11,000,000,000, which in turn leaves only \$2,000,000,000 of gold for all the debtor nations of the world; and

Whereas increasing the value of gold held by these seven creditor nations will not increase the purchasing power of the rest of the world, nor give them primary money on which to base credit and with which to carry on their domestic and foreign trade; and

Whereas more than 40 countries are off the gold standard, including England and the United States of America, and 60 percent of the population of the world use silver as their monetary yardstick, and will continue to use it regardless of all efforts to place them on a gold or managed currency basis; and

Whereas the stabilization of currency exchange and the removal of trade barriers between nations is essential in order to successfully conduct foreign trade and commerce; and

Whereas this stabilization of exchanges of world currencies can best be accomplished by fixing the ratio of value between the two metals, silver and gold, upon which world currencies are based; and

Whereas the depreciated currencies of silver-using nations, due to the low price of silver, gives silver-using nations a lower cost of production than gold-using nations, which in turn makes it impossible for gold-using nations to successfully compete with silver-using nations in the markets of the world; and

Whereas the remonetization of silver at its historic ratio with gold would raise world commodity prices upon which our surplus products of farm and factory are sold, increase the purchasing power of silver-using countries in the United States, increase production costs in silver-using countries so that the American farmer and manufacturer would not be so handicapped by their depreciated currencies; and

Whereas the remonetization of silver would end the present uncertainty relative to inflation; and

Whereas both Democratic and Republican national platforms have favored the international remonetization of silver, and Republican and Democratic leaders in the United States Congress have repeatedly stated that they favored bimetalism if it could be on an international basis; and

Whereas the President is about to appoint delegates to attend an international conference to be held in London in June of this year of our Lord, 1933, which has for its purpose the stabilization of international exchange, etc.: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that the delegates so appointed by the President of the United States of America shall work unceasingly for an international agreement to remonetize silver on a basis of a definite fixed ratio of not to exceed 16 fine ounces of silver to 1 fine ounce of gold.

The statement submitted by Mr. WHEELER is as follows:

To the PRESIDENT,

White House, Washington, D.C.:

We favor the remonetization of silver to raise commodity prices back to the 1926 level, restore the purchasing power of the American people, and bring back the prosperity of the world.

Edward T. Taylor, Colorado; Lawrence Lewis, First District Colorado; J. G. Scrugham, Nevada; Joseph P. Monaghan, Montana; Fred Cummings, Second Colorado; Roy E. Ayers, Second Montana; Abe Murdock, First Utah; John A. Martin, Third Colorado; Dennis Chavez, New Mexico; M. A. Zioncheck, Washington; Kent E. Keller, Twenty-fifth Illinois; Theo. B. Werner, Second South Dakota; J. W. Robinson, Second Utah; Fred H. Hildebrandt, First South Dakota; Tom D. McKeown, Oklahoma; F. B. Swank, Oklahoma; E. W. Marland, Oklahoma; Will Rogers, Oklahoma; Jed Johnson, Oklahoma; Wilburn Cartwright, Oklahoma; W. E. Disney, Oklahoma; J. V. McClintic, Oklahoma; J. H. Hoeppel, Twelfth California; Gardner R. Withrow, Wisconsin; Ernest Lundeen, Minnesota; Warren J. Duffey, Ohio; John Lesinski, Sixteenth Michigan; Carl M. Weideman, Fourteenth Michigan; John D. Dingell, Fifteenth Michigan; F. H. Shoemaker, Minnesota; Thomas O'Malley, Fifth Wisconsin; Wm. T. Schulte, First Indiana; Harry W. Musselwhite, Ninth Michigan; Knute Hill, Fourth Washington; Compton I. White, First Idaho; G. J. Bolleau, Seventh Wisconsin; William Lemke, North Dakota; M. C. Wallgren, Second Washington; Terry M. Carpenter, Nebraska; W. P. Lambertson, Kansas; Edgar Howard, Nebraska; Martin Dies, Texas; Lloyd Thurston, Iowa; J. J. Mansfield, Texas; Martin F. Smith, Third Washington; J. N. Sandlin, Louisiana; John Y. Brown, Kentucky; Henry E. Stubbs, Tenth California; W. D. McFarlane, Texas; Henry Arens, Minnesota; Magnus Johnson, Minnesota; C. H. Martin, Oregon; C. V. Parsons, Illinois; A. H. Gasque, South Carolina; Glenn Griswold, Indiana; M. C. Allgood, Alabama; E. M. Dirksen, Illinois; Jennings Randolph, West Virginia; A. C. Shallenberger, Nebraska; R. T. Wood, Missouri; Geo. B. Terrell, Texas; Paul J. Kvale, Minnesota; Randolph Carpenter, Kansas; O. H. Cross, Texas; Ross A. Collins, Mississippi; Jeff Busby, Mississippi; J. E. Rankin, Mississippi; Roy E. Ayers, Montana; C. W. Turner, Tennessee; Harold Knutson, Minnesota; Sam B. Hill, Washington; Geo. G.

Sadowski, Michigan; Wright Patman, Texas; W. M. Pierce, Oregon; Charles Kramer, Thirteenth California; J. O. Fernandez, Louisiana; Numa F. Montet, Louisiana; Martin L. Sweeney, Ohio; Robert T. Secrest, Ohio; Frank C. Kniffin, Ohio; Byron B. Harlan, Ohio; Wm. L. Fiesinger, Ohio; A. P. Lamneck, Ohio; Frank L. Kloebe, Ohio; Vincent Carter, Wyoming; A. J. May, Kentucky; R. M. Duncan, Missouri; Glover H. Cary, Kentucky; W. V. Gregory, Kentucky; Thomas F. Ford, California; John P. Dockweiler, California; Frank H. Lee, Missouri; Russell Ellzey, Mississippi; James Hughes, Wisconsin; Charles I. Faddis, Pennsylvania.

Mr. McNARY. Mr. President, is the resolution a Senate resolution or a joint resolution of the two Houses?

Mr. WHEELER. It is a Senate resolution.

Mr. McNARY. Will the Senator repeat his statement as to its purpose?

Mr. WHEELER. It is a Senate resolution stating that it is the sense of the Senate of the United States that the delegates who are appointed to the International Economic Conference shall work unceasingly for an international agreement for the remonetization of silver.

I may say to the Senator from Oregon that since 1896 both the Democratic Party and the Republican Party have been promising the people of this country that they were going to do this. I want to find out whether or not the Senate of the United States is willing to go on record now that it is the sense of the Senate that the delegates who go to that conference shall fight for the thing that both parties have been promising the people in their platforms.

Mr. FESS. Mr. President, I understand that the resolution calls upon the delegates to strive to bring about an international agreement on some ratio.

Mr. WHEELER. Yes; that is correct.

The PRESIDING OFFICER. The resolution will lie on the table and be printed.

RELIEF OF AGRICULTURE—ADDRESS BY SECRETARY WALLACE

Mr. DILL. Mr. President, I ask permission to have inserted in the RECORD excerpts from an address by Hon. Henry A. Wallace, Secretary of Agriculture, over a network of the National Broadcasting Co., delivered on May 1, 1933, on the subject of Relief of Agriculture.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

It was for the purpose of putting science to work in agriculture that this Federal Department of Agriculture was established by act of Congress 71 years ago. Washington, Jefferson, and Franklin saw the need for it even back in their day. The Department was created primarily for scientific research; its main job always has been a research job; and I hope research will always remain a principal duty.

Of course, it is not enough to discover facts: a public institution has also the obligation to see that the facts are made available to all who can profit by them.

When a plant breeder in the Department develops a variety of wheat that is highly resistant to rust, the job of the Department has not ended with that discovery. The new variety has to be tried out in various regions in the field. Next, the results of those trials have to be made known to wheat growers. That involves publications, both technical and popular, and articles for the press and radio broadcasting. Then the seed of the new variety has to be made available to farmers. The county extension agent may step into the picture at this point and suggest that the interested wheat grower sow some of the new seed in a test plot alongside some of the seed he and his neighbors have been using in the past, and when the old and the new varieties of wheat are up and harvested, let the neighbors for miles around come in to compare them and decide whether or not the new variety is better than the old and worth investing in.

That is a thumb-nail sketch of the way science is applied to agriculture in this country, and it portrays a system that is the envy of many another nation. Sir Horace Plunkett, Ireland's great authority on agriculture, in 1928 was moved to describe the Department of Agriculture as "the most widely useful department in the world."

One of the most famous examples was the discovery, by scientists in the Department of Agriculture some 40 years ago, that a micro-organism found in the blood of cattle is the cause of splenic fever, and that the disease is transmitted by the cattle tick.

During the years 1883 to 1893, four men spent most of their time trying to make that discovery. Splenic fever had become a costly disease of cattle throughout the South. Home-made remedies, treatment by skilled veterinarians, alike proved futile. The disease was costing the livestock industry, and ultimately the consumer of meat, many millions of dollars.

The four Department of Agriculture scientists, in the employ of the Government because they wanted to pursue scientific research

without interruption, and at salaries sadly out of line with their worth to the Nation—these men kept doggedly on the job despite all sorts of obstacles and disappointments. The joy of achievement was their chief reward. And their achievement proved to be of lasting benefit not only to the livestock industry but to all mankind, for their research was the first demonstration that a microbial disease can be transmitted exclusively by an insect host or carrier.

From that came the knowledge, at the hands of other scientists, that yellow fever, malaria, sleeping sickness, and other maladies are similarly transmitted. From that flowed the successful control of yellow fever, for instance, which in turn made possible the building of the Panama Canal. So it can truthfully be said that the success of four Department of Agriculture scientists in discovering the cause of a cattle disease was a first step in the construction of the Panama Canal.

These scientists—by name Theobald Smith, Curtice, Kilgore, and Salmon—of course had no idea of the far-reaching consequences of their discovery. They were intent on finding the cause of a cattle disease, not in discovering a fundamental principle in medicine. But that happens often in scientific research.

And at other times, a scientist may fail to solve one problem, only to solve another unexpectedly. Not long ago some chemists in the Department of Agriculture were examining molds—fungous growths, that is—to find one that would produce tartaric acid. Patiently they tested one after another, until they had exhausted the possibilities of 149 different molds. Finally the 150th rewarded their long search with success—but not the success they were expecting. Instead of producing tartaric acid, the 150th mold unexpectedly produced gluconic acid. This is now used in making calcium gluconate, the only calcium salt that can be injected between the muscles, without causing abscesses, in treating certain human diseases. This salt used to cost \$150 a pound. As a result of this research it may now be had for 50 cents a pound.

Much of the scientific work of the Department, however, calls for more than the ordinary equipment of a scientist. I am thinking of the plant explorers, the men who cut their way through treacherous jungles, or press on across the forbidding deserts of Mongolia in search of plants that we need here at home. Whenever you eat bread made from durum wheat, or enjoy a choice steak or pork chops from cattle or hogs fed on alfalfa and soybeans, or sample a package of dates or a crate of navel oranges from California, or the new Satsuma oranges from Florida—whenever you enjoy any of these things, you are reaping the benefit of the work done by a handful of explorers employed by the Department of Agriculture.

If time and your patience permitted, it would be possible to cite instances to show how research has affected all of our major farm crops and classes of livestock, how the patience, the skill, and the informed imagination of scientists employed by the Department of Agriculture have altered the agricultural map of this country and modified the farm practices of every farmer in the land. Many farmers are not aware of this, for the results of research reach the individual farm by an intricate, devious path, but they get there just the same.

If you will agree with me on that, I suspect you are at the same moment questioning whether this research has proved to be an unmixed blessing. For science and invention, you will say, have not only made it possible for us to produce enough to go around; they have made it possible for us to pile up towering surpluses, which in turn seem capable of bringing our whole economic system crashing down around our ears.

We cannot deny that. When scientists in the Department of Agriculture develop a variety of wheat that produces 5 bushels more per acre than the variety commonly grown, one result may be, and often is, too much wheat. When our modern knowledge of nutrition enables 1 bushel of corn to go as far as 2 bushels did in the pioneer days in feeding livestock, one result may be too much pork and lard.

Of late years the Department of Agriculture and the colleges have been aware of the problem. They have tried to meet it by helping the individual farmer adjust his own production to changing market needs. They have hoped that advice and complete information on supply and demand would suffice.

Where they have been remiss, in my judgment, is in declining to face the fact that the individual farmer cannot adjust his production intelligently unless he knows, with some degree of certainty, that his neighbors will do likewise. And it is to face that fact realistically that the new farm bill has been drafted. The essence of it is collective action by all the producers to accommodate their production to the market that actually exists.

Our expenditures for science, our efforts at increasing productive efficiency, have in no sense been unwise. Certainly no thoughtful person could approve the abandonment of scientific research or the relegation of our machines to the ash heap. To do that would be like abandoning the use of automobiles because we have automobile accidents. As a rule, the fault is not with the automobile, but with the driver.

It is not the fault of science that we have unused piles of wheat on Nebraska farms and tragic breadlines in New York City at one and the same moment. Rather it is because we have refused to apply science to the development of social machinery, machinery that will regulate our economic system to the end that what we produce can be equitably divided.

I am not one to ask for less efficiency. I want more, and I know that we can get far more. But I want the efficiency to be controlled in such a way that it does more good than harm. I want to see the farmers of the South grow 300 pounds of cotton

per acre instead of 150 pounds, and the farmers of the North 50 bushels of corn per acre instead of 35 bushels. I want to see the average milch cow yield 400 pounds of butterfat per year instead of 200. And I see no reason why our hogs eventually should not produce 100 pounds of pork on the average from 6 bushels of corn instead of from 9 bushels.

These things can all be done. The research now going on will make it possible and will pave the way for countless new agricultural achievements as well.

Only the other day I learned that research now in progress indicates that crops grown in some regions of the Nation have a higher nutritional value than do apparently similar crops grown in other areas. If further study bears this out, the consequences will certainly be far-reaching. We may have a new agricultural map a decade from now.

The research job, far from being done, is only well begun. We shall need new varieties of cereals and grasses, to resist diseases, better than those we now have. We shall have to keep cutting costs of production by increasing yields per acre. Methods of cultivation, like methods of feeding and managing livestock, must be subject to continuing investigation if we are to keep abreast of the continually changing economic world about us.

When our chemists, not long ago, discovered an economical method by which bagasse, a sugarcane waste, could be made into high-quality cellulose suitable for rayon, we patted ourselves on the back for an achievement of considerable importance. But over in the Bureau of Chemistry and Soils is a small bottle of a brownish cellulose substance called "lignin", which was derived from the corn plant after many years of experimentation. The chemist will tell you that lignin is one of the principal parts of woody plant tissues; that it can therefore be obtained in abundance; and that it may yield a startling new collection of products. Already he has discovered in lignin such compounds as phenol and creosol. Lignin may yet rank, in its rich potentialities, in its influence on disposing of farm wastes, with our major chemical discoveries.

No, the job of scientific research in agriculture is not over, nor will it ever be. But today we have a new job, a new field for experimenting—that of social control. Research to increase productive efficiency, to widen markets, must continue. Eliminate the less important research activities, in deference to the need for economy; get rid of the deadwood in our scientific organizations, but keep the men of science at the tasks which will always need doing. And add to the old job, the one that has been begun so well, this new job of developing the machinery of social control.

Can we, do you suppose, become as efficient in our social experimenting as we have already proved ourselves in scientific experimenting? If this can be done, we can go ahead into one triumph after another in the scientific world. If it is not done, I fear for the future of our civilization.

The farm bill is an effort in the direction of such social inventiveness. In some ways it is perhaps as crude as the first automobile. But I believe it is profoundly right in purpose, for it attempts a reconciliation between science and social justice; and I believe it can be made to work if the rank and file of the people of the United States—the men who grow our food, the men who handle and distribute it, the men and women who consume it—the new machine will work if all these people are genuinely hungry to distribute the fruits of science in a just way.

For that is our great modern problem. Having conquered the fear of famine, with the aid of science, having been brought into an age of abundance, we now have to learn how to live with abundance. Sometimes I think it requires stronger characters, greater hearts, and keener minds to endure abundance than it takes to endure penury. Certainly it requires a new degree of tolerance among competing economic groups and a willingness to subordinate the will of the few to the welfare of the many.

Personally, I think the last 12 years have imprinted this lesson deeply on all of us. I think we are ready now to reach out toward a new order. I believe we are ready to attempt to plan our economic life in return for stability and security. If this is true, then we have reached a great moment in the history of mankind. We have determined to become the masters rather than the victims of destiny. We are daring to bring the economic interests of men under conscious human control.

We may make mistakes along the way; we may have difficulty in mastering all the intricacies of an economic system that is full of puzzling contradictions; but if we operate our new social machinery with the spirit of social justice in all our hearts, I believe that it will work.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4606) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STEAGALL, Mr. GOLDSBOROUGH, and Mr. LUCE were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate numbered 85 to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary purposes incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes; that the House had disagreed to the amendments of the Senate numbered 1 to 84, inclusive, to the bill; that the House had agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. CLARKE of New York, and Mr. HOPE were appointed managers on the part of the House at the conference.

MUSCLE SHOALS

The Senate resumed the consideration of the bill (S. 1272) to improve the navigability and to provide for the flood control of the Tennessee River, to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. BANKHEAD. Mr. President, I wish to call up an amendment that I presented some days ago relating to the fertilizer provisions of the bill. The amendment has been printed and is on the desks of Senators. Before proceeding I want to make two changes in it. I send one of them to the desk.

The VICE PRESIDENT. The Senator from Alabama modifies his amendment.

Mr. BANKHEAD. On page 3 of my amendment, just preceding subsection (k), I want to add the following words:

Instead of exercising the powers granted by subsections (d) and (j), the Board is authorized.

The VICE PRESIDENT. The clerk will state the amendment, as modified.

The LEGISLATIVE CLERK. The Senator from Alabama proposes the following amendment:

On page 6, strike out section (d) and insert in lieu thereof the following:

"(d) The Board shall manufacture fixed nitrogen and/or other fertilizer ingredients at Muscle Shoals by the employment of existing facilities (by modernizing existing plants), or by any other process or processes that in its judgment shall appear wise and profitable for the fixation of atmospheric nitrogen, and/or other fertilizer ingredients for agricultural and military uses."

Mr. BANKHEAD. Mr. President, in explanation of this amendment, permit me to say that section (d) in the Norris bill, the pending bill, authorizes the board to manufacture nitrogen, which is one of the ingredients of fertilizer. I have offered in lieu of that section a section from the Hill bill, passed by the House of Representatives, to authorize the manufacture of nitrogen or fertilizer ingredients.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BANKHEAD. I yield.

Mr. NORRIS. I am trying to locate the place in the bill where the Senator's amendment applies. The Senator's amendment is not printed, is it?

Mr. BANKHEAD. The original amendment is printed. The one I have just sent up is in addition to the one I have heretofore presented.

Mr. NORRIS. I have on my desk two printed amendments of considerable length which the Senator proposes to offer and has had printed. Is it one of those that the Senator has offered?

Mr. BANKHEAD. It is the fertilizer amendment. It begins with:

It shall be the duty of the Board to operate the nitrate plants—

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. I yield.

Mr. ROBINSON of Arkansas. The amendment which the Senator has just sent to the desk and had read is the amendment which he has incorporated in his fertilizer amendment?

Mr. BANKHEAD. That is correct; it adds to it.

Mr. ROBINSON of Arkansas. And where is it proposed to be inserted?

Mr. BANKHEAD. The amendment proposes to strike out subsection (d) of the pending bill and in lieu thereof to insert the words incorporated in my amendment, which I have taken from the bill which was passed by the House of Representatives.

Mr. NORRIS. Mr. President, if the Senator will yield further, the pending amendment which he has offered is not an amendment to his amendment?

Mr. BANKHEAD. I am adding it to my amendment.

Mr. NORRIS. The Senator does not need to get consent to do that.

Mr. BANKHEAD. I am explaining it; that is all.

Mr. NORRIS. It says here "on page 6." Does that mean page 6 of the Senator's amendment?

Mr. BANKHEAD. No, sir; that strikes out subsection (d) on page 6 of the bill of the Senator from Nebraska.

Mr. NORRIS. I do not see how the Senator can incorporate that with the other amendment pending. Of course, the Senator can change his amendment as he sees fit; he does not need to offer it as an amendment to his amendment.

Mr. BANKHEAD. I have just changed my amendment so as to include that provision.

Mr. NORRIS. What I am trying to find out is what is now the pending amendment. The one which I have and which the clerk has sent to me is simply a change of subsection (d), page 6 of the Senate bill.

Mr. BANKHEAD. I have changed the printed amendment by adding that to it, so that both together constitute the pending amendment.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. BANKHEAD. I yield.

Mr. KING. I am greatly interested in this matter, but I confess, perhaps due to my own lack of understanding, that I do not grasp the situation. As I understood the Senator from Alabama, he intended to offer a substitute for the so-called "Norris bill" which would take the place of the entire Norris bill textually.

Mr. BANKHEAD. No; that is not the situation. The amendment relates solely to the fertilizer provision.

Mr. KING. The amendment the Senator proposes to discuss attacks only subdivision (i) of section 5 of the Norris bill?

Mr. BANKHEAD. Oh, no. It adds further provisions to the amendment. It does not attack in any way the Norris bill as it relates to fertilizer except by the substitution of the House section for subsection (d) and then provides additional powers for the board.

Mr. KING. Does the Senator propose to leave in the bill as it shall finally pass, even if his amendment shall be adopted, subsection (i) of section 5 of the Norris bill?

Mr. BANKHEAD. Yes.

Mr. KING. Then the Senator is not challenging subsection (i) at all?

Mr. BANKHEAD. No.

Mr. President, in order that it may be understood what is involved, permit me to make a brief explanation of the addition which the amendment tendered by me makes to the Norris bill. Of course, it is well understood, as the author of the Norris bill stated on the floor of the Senate, that he does not believe the production of fertilizer at the nitrate plant at Muscle Shoals is an economical proposition. For

that reason his bill makes very few provisions on the subject except for experimentation. With that phase of it I am in the very fullest accord. The bill contains the following provision:

(d) The Board shall manufacture fixed nitrogen at Muscle Shoals by the employment of existing facilities, by modernizing existing plants, or by any process or processes that in its judgment shall appear wise and profitable for the fixation of atmospheric nitrogen.

My amendment proposes to add to that an authorization to the board for the manufacture of all elements and ingredients of fertilizer in addition to nitrogen, which is alone provided for in the pending bill.

Mr. SMITH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BANKHEAD. I yield.

Mr. SMITH. That language would be inserted right after the word "nitrogen" in the Norris bill? The Senator wishes to add "and other fertilizer ingredients for agricultural and military uses"?

Mr. BANKHEAD. That is the effect of it.

Mr. NORRIS. Mr. President, I do not understand that to be the case at all. I do not want any misapprehension. If that is all there is to it, it would be a different matter; but if the Senator will examine the amendment, he will find that it goes much further than he has just stated.

Mr. SMITH. I mean the amendment just now offered by the Senator from Alabama. I presume the Senator from Alabama will offer an amendment to subsection (e) as well?

Mr. BANKHEAD. Yes.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. Certainly.

Mr. ROBINSON of Arkansas. May I point out to the Senator that confusion has arisen as to the last amendment which he has proposed? He indicated that he intended to modify the original fertilizer amendment offered by himself.

Mr. BANKHEAD. Yes; by adding this language to it.

Mr. ROBINSON of Arkansas. The language that he has offered is an amendment to the text of the bill rather than a modification of his own amendment.

Mr. BANKHEAD. I want to put it in shape, if the Senator from Arkansas will help me, so as to add it to my amendment substituting the House section for subsection (d) of the pending bill.

Mr. ROBINSON of Arkansas. When the Senator first offered the language, which he said was a modification of his own amendment, I asked him then the question in what part of the fertilizer amendment it should be incorporated. As everybody concedes, he has a perfect right to modify his amendment, but the language of his amendment last offered is "amendment intended to be proposed" to the Senator's own amendment. However, upon reading the language, it clearly indicates that it is an amendment to the text of the bill. If the Senator would change it to indicate what part of his own amendment is to be modified, it would clarify and simplify the matter.

Mr. SMITH. May I not suggest to the Senator from Alabama that he just add his amendment to subsection (d) by inserting the desired language at the end of subsection (d). Then it fits in exactly with his proposed modification of subsection (e).

Mr. BANKHEAD. I will do that a little later, although I think it is clear what my purpose is, which is to substitute the language of the House bill in that regard for subsection (d) of the Norris bill. Whatever may be the proper parliamentary way of presenting it, I shall be very glad to pursue that course as soon as I have an opportunity to adjust the language accordingly.

Mr. President, on the subject of fertilizer the pending bill requires the board to operate the nitrate plants or either of them by employment of existing facilities or the modernizing of existing plants and facilities for the production of nitrog-

enous plant food of the kind and quality indicated, and so forth. Then it is provided, in addition, that instead of exercising the powers granted to the board to produce fertilizer either voluntarily as provided in the original amendment or under the compulsory provision contained in the House bill, the board may lease the nitrate plant upon terms and conditions set out in the proposed amendment. That amendment requires the production of a certain quantity of nitrate, 10,000 tons. In addition to that it authorizes the manufacture of phosphoric acid. As we all know, these are the two elements of fertilizer which are manufactured—nitrogen and phosphoric acid. Potash is the third element. We get our supply of potash from Germany, though we have some small deposits in New Mexico.

The original bill limits the use of the plant at Muscle Shoals to the production of one of the elements of fertilizer. My amendment proposes to extend that authority to include the production of the other element, phosphoric acid, so that in the production of complete fertilizer ready for application to the soil there is no limitation either upon the board, if it sees fit to conduct the operations itself, or upon a lessee, if a lease is secured, which would prevent the manufacture in the existing plant or in the additional facilities of the two essential elements of fertilizer.

Mr. President, as a basis for present consideration of the question, let us look to that great plant built there at a cost of many millions of dollars. Are we going to utilize that plant to its full capacity and get all the beneficial results from it that were intended, or is it simply to be used as a place for experimentation? I do not mean by that statement to minimize in any way the advantages of experimentation, but in addition to experimentation I hope to see the plant put into operation and use for the benefit of agriculture as was intended when the original law was enacted authorizing its construction.

I see sitting in front of me the distinguished senior Senator from South Carolina [Mr. SMITH], who is always diligent and effective when the interests of agriculture are concerned. He was a Member of the Senate when the program was originated during the crisis of our war times, when there was apprehension by the Government that possibly the supply of Chilean nitrate absolutely essential for the manufacture of explosives might be cut off. The Congress and the administration decided to build here in our country, remote from the seacoast and danger of destruction from that source, a plant for the production of fertilizers, to prevent a catastrophe to this country in the event that during the war period our supply of nitrate should be cut off. Provision was made for the construction of the plant for the manufacture of nitrate to be used in time of war.

But, Mr. President, everybody connected with that program realized that war would probably not last many years. Everybody realized that we were making a great investment there in the construction of the Wilson Dam for the creation of power and in the construction of the great nitrate plant. Naturally their thoughts turned to the question, What disposition are we going to make of that plant when peace comes? What use are we going to make of it rather than let it stand idle until, forsooth, at some future day we may again become engaged in war? The Senator from South Carolina, interested in agriculture, proposed this plan:

The President * * * is further authorized to construct—

I am reading from section 124 of the National Defense Act of June 2, 1916—

The President * * * is further authorized to construct, maintain, and operate, at or on any site or sites so designated, dams, locks, improvements to navigation, power houses, and other plants and equipment or other means than water power, as in his judgment is the best and cheapest, necessary or convenient for the generation of electrical or other power and for the production of nitrates or other products needed for munitions of war and useful—

Mark this—

and useful in the manufacture of fertilizers and other useful products.

So I submit that it was contemplated by the authors of this legislation, by those responsible for our great investment there, that when the war ended, when the period expired during which explosives were needed for war purposes, the investment should be used for the benefit of agriculture in America.

I regret the necessity of differing from my friend from Nebraska [Mr. NORRIS] upon this subject. We have a different viewpoint and judgment about whether or not this plant can be economically used for the production of fertilizer. While I am referring to the Senator from Nebraska, I desire to take this opportunity to tender my modest tribute to his great vision, to his resourcefulness and perseverance, to his overcoming over a long period of years all the obstacles that have been thrown in the way, of bringing this legislation almost to completion. I appreciate his services. I value them, and I know he is interested in agriculture. I have served with him for the last 2 years upon the Committee on Agriculture and Forestry, and I have never seen a time when the Senator's heart and mind were not with the struggling farmers of the country. I am glad to say that. I know that it is true from contact and association with him, and I shall be rejoiced when this entire program is put into effect. Of course we all know that it is due to the energy and perseverance of the senior Senator from Nebraska; and I really hope that when the Senator gets tired of his public duties, he will come down and live in that great Tennessee Valley, and watch the unfolding of his splendid ideals for the welfare and for the benefit of the plain people of this country. He could go to no section of America where he would be more welcome; and I say it with entire sincerity.

Upon this subject, however, we have a different understanding. Our objectives are the same; but I hope now to indicate to the Senate the reasons why fertilizer can be produced at Muscle Shoals.

I know that if the Senator from Nebraska were so convinced, he would be delighted. He said so here a few days ago. We must, however, settle this difference of understanding and of viewpoint and judgment upon that question. No question of principle is involved. There is no difference in principle. We would all like to help the farmer with this great project if we felt that it was feasible and practical.

As I have indicated many times, ever since I first made any declaration upon the subject of Muscle Shoals, my preference has been for a lease of this plant, if a lessee satisfactory to the Government could be secured. This amendment authorizes—it does not require—the board to make a lease upon terms specified in the amendment involving the production of at least 10,000 tons of nitrogen a year as a minimum, and then to be stepped up to meet the requirements of the market.

For the information of those who have not given study to the subject, permit me to say that the great difficulty in the present fertilizer situation is the small proportion of plant food contained in a ton of mixed commercial fertilizer. In 1928 the total mixed fertilizer produced in this country amounted to 4,485,350 tons. The plant food included in that amounted to only 715,841 tons, leaving only 16.42 percent of plant food in that great quantity of fertilizer, which involved a tremendous loss in the payment especially of freight charges on filler and inert matter.

It is our hope that at Muscle Shoals concentrated fertilizer may be produced, and we have reason to believe that it can be produced, so that instead of the present mixed fertilizer, containing such a small percentage of plant food, a ton of concentrated fertilizer will be equal to 4 or more tons of the present mixed fertilizer.

Experiments have been conducted down in Anniston with the electrical-furnace process, and I have here a bottle containing the results in the form of concentrated fertilizer which we hope will develop from the operation of this great plant at Muscle Shoals. If that form of fertilizer can be produced there, it will revolutionize the commercial fer-

tilizer industry. It will bring results to the farmer that at present seem almost impossible under the present operating conditions of the fertilizer industry.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. BANKHEAD. I yield.

Mr. NORRIS. I take it from what the Senator has said today and from what he has said on other occasions, and from what he has said to me privately, that he is of the opinion that nitrate plant no. 2, located at Muscle Shoals, can be operated for the purpose of getting nitrogen out of the atmosphere and to produce fertilizer in a way that would reduce its cost to the farmer. I should like to ask the Senator if that is correct.

Mr. BANKHEAD. Yes; that is my viewpoint.

Mr. NORRIS. The Senator believes that nitrate plant no. 2 is a proper method and as scientific as any other method of securing nitrogen from the atmosphere. Is that correct?

Mr. BANKHEAD. I cannot say, Mr. President, that I think it is the most scientific method. I am not enough of a technician to say that.

Mr. NORRIS. Well, regardless of that, I am just trying to get the Senator's view.

Mr. BANKHEAD. Yes; I think that nitrogen alone can be produced at Muscle Shoals at a saving to the farmer under the present price of commercial fertilizer.

Mr. NORRIS. Exactly. The Senator also believes that the best way to secure results—I think he said that in the beginning of his address today—would be to have the plant operated by a lessee, and have the Government lease it.

Mr. BANKHEAD. That is my judgment; that better results usually can be obtained from those interested primarily in initiative, and who are not restricted in the operation of a business in such a way as the Government possibly would be.

Mr. NORRIS. I will say to the Senator on that score—I want to elucidate it somewhat when the Senator finishes—that I have no objection to a lease of nitrate plant no. 2; and if the Senator's amendment is not agreed to, I propose to offer an amendment myself that will authorize the leasing of nitrate plant no. 2.

Mr. BANKHEAD. I am happy to hear that statement; and I do not know that there is much difference between us.

Mr. NORRIS. Oh, yes; there will be considerable difference.

Mr. BANKHEAD. Of course, the Senator may put in restrictions.

Mr. NORRIS. The only restriction I want to put in is that the lessee shall make fertilizer.

Mr. BANKHEAD. I shall be glad to see the Senator's amendment, because my interest is entirely from the standpoint of getting better fertilizer results for the farmer.

Mr. NORRIS. I understand that.

Mr. BANKHEAD. I am sure the Senator does.

Mr. NORRIS. I do not want the Senator to think that any interruption or any disagreement I have with his views in any way impugns his motives.

Mr. BANKHEAD. I do not consider that. I say—and the statement I made was designed simply to bring that out—that I have no pride of opinion about my amendment. In fact, it is not mine. I simply offered the amendment that received thorough consideration, I assume, at the other end of the Capitol, and it was adopted there.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. BANKHEAD. I do.

Mr. McKELLAR. If it should be found by experimentation that the method now set up at Muscle Shoals for making nitrogen is not the cheapest and most scientific way of producing nitrogen from the air, the Senator would not want the Government either to lease or to run that plant, would he?

Mr. BANKHEAD. I certainly would not.

Mr. McKELLAR. It seems to me that we ought to find the best method before we undertake to set up a plant there for making fertilizer.

Mr. BANKHEAD. If the Senator will permit me, I do not think we can find it by legislation. We are going to have a board there, I am sure, that we can trust. My judgment is that various options should be allowed the board, so that in the course of investigation, in the course of efforts—experiments, if you please—if, after operation for a reasonable time, it develops that there will not be a saving to the farmer, they may either abandon or shift their course of action. I am in thorough accord with the idea that we must get benefits for the farmer under this program or we should not adopt it; and, of course, I do not advocate the operation of a plant at the cost of the taxpayers.

On the subject of costs, permit me to invite attention of those who are interested in that subject to a statement contained in the Senate hearings of last year. A statement was submitted by the Muscle Shoals Commission to the Bureau of Chemistry of the Government, setting up a complete itemized statement of costs for the production of nitrogen alone at Muscle Shoals, and a request was made of the Bureau of Chemistry for their opinion on the subject. In their reply, dated September 26, 1931, they say:

The two outstanding figures of this statement are believed to be essentially correct; that is, the price of cyanamid and the cost of production at plant no. 2. This Bureau does not, however, agree with the conclusion that the operation of the plant can afford relief to our farmers. It is true that nitrogen can be fixed cheaper in the form of cyanamid. The difficulty has been that cyanamid is not a popular material with American farmers and does not fit in well with American fertilizer practice.

In other words, the Bureau of Chemistry, which is not friendly to this program, reports that nitrogen can be produced cheaper, but its objection is based upon the ground of sales resistance upon the part of the farmer.

Mr. President, all of these great developments in their inception have met with sales resistance.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LONG. I had understood that the President wanted the Norris bill. That is my understanding, as I read the papers, that President Roosevelt wants the Norris Muscle Shoals bill. Am I right about that or not? Does the Senator know?

Mr. BANKHEAD. I have had no communication from the President on the subject.

Mr. LONG. I have been looking for an opportunity to admonish my colleagues, as they have admonished me, to stand by the President.

Mr. BANKHEAD. The Senator has not very faithfully observed it, though, has he?

Mr. LONG. I want to get on the line. It is my understanding that the President wants the Norris bill. If that is so, I want to drop that note of warning that it has become popular to stand by the President. That is what I want to do, to stand by the President. If he is for the Senator's plan, I am for it. If he is not, I am for the Norris plan.

Mr. BANKHEAD. As I have seen stated on the floor of the other House, or have read, I take it that the President does not presume to be an umpire between the two provisions—the bill which passed the House and the Senate committee bill.

Mr. NORRIS. Mr. President, will the Senator yield to me again?

Mr. BANKHEAD. Certainly.

Mr. NORRIS. Of course, the Senator was present at the conference with the President and heard what he said. Does the Senator think it is possible to construe what the President said into an approval of this amendment, which would compel the board to go into the manufacture of fertilizer on a commercial basis? Is there any reason for thinking that the President favors that kind of a proposition?

Mr. BANKHEAD. Mr. President, I must say that I did not get that impression, though I do say, and I think the

Senator will recognize, that there was uncertainty in what did take place.

Mr. NORRIS. The Senator will remember that what the President said was that if we were going to do that at Muscle Shoals, we would be called upon to do it everywhere else in the United States.

Mr. BANKHEAD. I recognize that; but the Senator will also recognize the fact that it was the insistence of everyone else in that conference, including the senior Senator from South Carolina [Mr. SMITH], the senior Senator from Alabama [Mr. BLACK]—I will not say that the Senator from Tennessee engaged in it—but the Chairman of the Military Affairs Committee of the House, and the ranking member of the Military Affairs Committee of the House, that fertilizer could be and should be produced at Muscle Shoals, and the Chairman of the Committee on Military Affairs of the House had with him a prepared amendment, or provision, on that subject, which he understood was agreeable to the President, according to his statement.

Mr. LONG. Mr. President, will the Senator yield again?

Mr. BANKHEAD. I yield.

Mr. LONG. Over in the House they passed one bill. That bill did have fertilizer in it.

Mr. BANKHEAD. I am offering exactly the plan presented in the House bill. I have clipped it from the House bill and put it onto the bill now pending as an amendment. The chairman of the House committee stated, since the question has been raised on the floor, and it will be found in the debate, that the secretary of the President, the day before the bill was up for consideration, called him and said the President had confidence in the judgment of the Committee on Military Affairs, which had reported the bill which was then pending for consideration.

I think surely the Senator from Louisiana and everyone else recognizes that I have been as close and as ardent a follower of the President as any Senator on this floor since the very time he was inaugurated. No one can point to a single vote that has been cast here by me that was not in line, as I understood it, with what the President really, as a matter of principle, wanted done.

Mr. NORRIS. Mr. President, I am sure the Senator will agree with me that it would hardly be proper for us to engage in a controversy here over what the President wanted; although it is proper, if someone knows, to show it. I am not disputing that. I am not going to quote the President. I have great respect for the man who, even though he respects the President as much as I do, will not vote for a thing which he does not believe in, even if the President does. I believe, myself, that we ought to follow our own convictions. But since the matter has come up I should like to say to the Senator that I did not submit to the President subdivision (d), already agreed to by the Senate, but it happens, I think I can say, that I agree with the President on every proposition in the bill, particularly in the broad vision and scope which I think the President has in his mind—a national vision.

The President made some suggestion before he was inaugurated in regard to enlarging somewhat the scope of the bill. I am not claiming any credit for myself, but it just happened that the enlargements suggested were things which I had never put into the bill but which I had openly, many times in the Senate and a great many times elsewhere, publicly advocated. I was glad that we were going to have a President who would make it possible to add something to the bill which would broaden its scope and, in my judgment, in the end, especially for future generations, be of very material value to the happiness and comfort of the people.

There are some things in the bill which have been put in from time to time as we have had different controversies over different bills for the last 10 years, which went in as a matter of compromise. Some of them I did not like in the form in which they were in the bill, but I compromised and put them in.

One of the main compromises occurs in the particular section which the Senator would strike out of the bill, and

for which he would insert the language of the House bill. Following the conference that was had with the President, I suggested the amendment which the Senate has agreed to, subdivision (d), on page 6, which I thought carried out 100 percent the ideas of the President. I would not have advocated these amendments if I had not agreed with the President, but they corresponded exactly with what I had tried to do for 10 years.

This subsection read, to begin with, nearly like the House provision, but we put into it an amendment day before yesterday so as to have the subdivision begin with these words, "In order to improve and cheapen the production of fertilizer." Then we struck out the word "shall" in line 24 and inserted in lieu thereof the words "is authorized to", so that as the bill stands now in its amended form it reads in this way:

"In order to improve and cheapen the production of fertilizer the board is authorized", and so forth. The Senator's amendment makes it compulsory, instead of giving them a simple authorization.

Mr. BLACK. Mr. President, will the Senator read the rest of it, as it is now?

Mr. NORRIS. It reads:

In order to improve and cheapen the production of fertilizer the board is authorized to manufacture fixed nitrogen at Muscle Shoals by the employment of existing facilities, by modernizing existing plants, or by any other process or processes that in its judgment shall appear wise and profitable for the fixation of atmospheric nitrogen.

That is as it stands now in the bill. That is the language which the amendment of the Senator from Alabama would strike out.

Mr. BANKHEAD. Yes; because I want to include more than nitrogen.

Mr. NORRIS. I have no objection to the Senator's including something besides nitrogen, and I think the Senator understands my position clearly. If the Senator's amendment is agreed to, then the board will have no discretion; it will have to use nitrate plant no. 2 for the manufacture of fertilizer, even though it is done at a loss.

Mr. BLACK. Mr. President, will my colleague yield for a question there?

Mr. BANKHEAD. I yield.

Mr. BLACK. I understood the Senator from Nebraska to say that he would not object to authorizing the board, not making it compulsory, but authorizing the board to do something more than manufacture simply nitrogen.

Mr. NORRIS. Yes; I would have no objection to that.

Mr. BLACK. Would the Senator object to having an amendment at that point authorizing the manufacture of nitrogen or other fertilizer ingredients?

Mr. NORRIS. Not at all. I have no objection to that.

Mr. BLACK. I think that would greatly improve it and more nearly meet with the ideas we have.

Mr. McKELLAR. Mr. President, will the Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. McKELLAR. The Senator has just heard the colloquy between the senior Senator from Alabama and the Senator from Nebraska. Why would not the suggestion provide everything that we want to provide for the farmers in this connection?

Mr. BANKHEAD. Because I want to know they are going to get it.

Mr. McKELLAR. This would authorize the board to act. If it is a success, we all know that the board is going to manufacture and sell these ingredients to the farmers, and if it is not a success we all know that they are not going to do it anyway, and they ought not to do it if it cannot be made a success. So it seems to me that with the amendment which the Senator from Nebraska has suggested he would agree to, there ought not to be any difference between us. That seems to me to be full and ample. If we are going to manufacture and sell fertilizer and fertilizer ingredients, that should be as much as we could possibly put into the bill at this time.

I call the attention of the Senator from Alabama to the fact that subsection (e), on page 7, reads as follows:

(e) Under the authority of this act the board may make donations or sales of the total product of the plant or plants operated by it to be fairly and equitably distributed through the agency of county demonstration agents, agricultural colleges, or otherwise as the board may direct, for experimentation, education, and introduction of the use of such products in cooperation with practical farmers so as to obtain information as to the value, effect, and best methods of use of same.

It seems to me that, with the amendment suggested by the senior Senator from Alabama [Mr. BLACK] and agreed to be accepted by the Senator from Nebraska [Mr. NORRIS], it provides just what we desire to provide for the farmers of the country.

Mr. BANKHEAD. My view about what we desire to provide is very different from that of the Senator from Tennessee as he has just stated it.

Mr. ROBINSON of Arkansas. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. Yes, sir.

Mr. ROBINSON of Arkansas. The principal difference between the Senator's pending amendment and the provision of the bill is, as I understand, that his amendment would require the manufacture of fertilizer for sale, whereas the provision of the bill contemplates experimentation in the production of fertilizer.

Mr. BANKHEAD. That is correct, sir.

Mr. ROBINSON of Arkansas. If the experiment should not prove successful, would the Senator insist upon the manufacture of fertilizer for sale, even though it could not be economically produced?

Mr. BANKHEAD. I would not, Mr. President, after a fair trial.

Mr. ROBINSON of Arkansas. Very well. What I am interested in is knowing why the authorization would not be sufficient.

Mr. BANKHEAD. My view is that the project is not really intended, under the present program, for the production of fertilizer. My view is—and it has been the view of the House since this program was originated all the way through—that we should provide for the compulsory production of fertilizer.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator pardon me further?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BANKHEAD. Yes.

Mr. ROBINSON of Arkansas. Think of what would happen if the experiment should prove a failure; if it were found, as many contend will be the case, that fertilizer material could not be produced there on an economical basis or such a basis as would make it merchantable in competition with present methods elsewhere employed in the production of fertilizer! It would be a regrettable situation if the experiment should fail and at the same time the law should require the production of fertilizer for market purposes. What would be the advantage to the Government or to the public in having such a provision in the law? I am asking for information.

Mr. BANKHEAD. I could ask the Senator the same question about other provisions of the bill; for instance, the power provisions.

Mr. ROBINSON of Arkansas. But that would not answer the question which I have asked.

Mr. BANKHEAD. I know; but the same principle exactly is involved.

Mr. ROBINSON of Arkansas. I might not be able to answer the Senator's question.

Mr. BANKHEAD. I think that both parts of the program will work.

Mr. ROBINSON of Arkansas. But assuming that the fertilizer experiment fails. I know that there are some so-called "scientists" who insist that under the conditions that prevail there fertilizer cannot be economically produced.

Mr. BANKHEAD. If the Senator will let me interrupt him there, he does not mean "fertilizer"; he means "nitrogen."

Mr. ROBINSON of Arkansas. I mean the elements of fertilizer.

Mr. BANKHEAD. Nitrogen is one element only of fertilizer.

Mr. ROBINSON of Arkansas. It is one element only of fertilizer. I accept the Senator's correction. But would the Senator insist, if that theory should be borne out by the experiment, that we should go ahead producing nitrogen, in spite of the fact that it could not be produced in competition with other places and other agencies?

Mr. BANKHEAD. Of course I concede, as I said before, that in that case it should be abandoned, which Congress can do, but we ought to have a declaration in the bill of the policy and purpose of Congress to bring about a fair trial and a fair effort to demonstrate whether or not the Muscle Shoals plant can be used for the benefit of agriculture.

Mr. ROBINSON of Arkansas. I am in accord with that idea and I am perfectly ready to support any amendment that may be found necessary to carry it out; but what I am wondering is why, in view of the controversy that exists as to whether the experiment may or may not succeed, we should commit the Government to an unprofitable, unsuccessful undertaking in the manufacture of fertilizer and why that cannot be determined by future legislation if the experiment shall succeed. I am asking that question for information. It seems to me it is pertinent.

Mr. BANKHEAD. Very well. I shall be glad to undertake to answer the question, which I recognize is a fair one.

Mr. NORRIS. I have interrupted the Senator so often—

Mr. BANKHEAD. Will the Senator from Nebraska let me answer the question of the Senator from Arkansas?

Mr. NORRIS. I wanted to make a suggestion as to what I intended to do with regard to the matter.

Mr. ROBINSON of Arkansas. The suggestion of the Senator from Nebraska may shorten the discussion.

Mr. BANKHEAD. Very well; I yield to the Senator from Nebraska.

Mr. NORRIS. I am going to offer an amendment which will take precedence over the Senator's motion, and if he will yield I will offer it now, and I think he will have no objection to it.

Mr. BANKHEAD. Yes; I will do that.

Mr. NORRIS. Then on page 6, line 21, after the word "nitrogen" and the comma, I move to insert the words "fertilizer and fertilizer ingredients."

Mr. BANKHEAD. Mr. President, will the Senator give me the page and line again?

Mr. NORRIS. Page 6, line 21, after the word "nitrogen", insert "fertilizer and fertilizer ingredients."

Mr. FLETCHER. Mr. President, may I ask the Senator would it not be necessary to change the wording also in line 25?

Mr. McKELLAR. Mr. President, I was just going to call the attention of the Senator from Nebraska to the fact that similar words should be added in line 25 after the word "nitrogen."

Mr. NORRIS. After the word "nitrogen", in line 25, I move to strike out the period and insert a comma and the words "or the cheapening of the production of fertilizer."

Mr. McKELLAR. That will be entirely acceptable.

Mr. BANKHEAD. Mr. President, with that wording in—because the other points are otherwise provided for—I withdraw the substitute offered for subsection (d) about which we had some confusion here; but that does not dispose of the principle.

Mr. COOLIDGE. Mr. President, will the Senator from Alabama yield to me for a moment?

Mr. BANKHEAD. If the Senator from Massachusetts desires to address himself to some other thought, I should like first to answer the Senator from Arkansas before we get away from his question, because he asked me a fair question.

Mr. COOLIDGE. I merely wish to say that the Muscle Shoals plant was originally built by the Government as an

emergency undertaking. Muscle Shoals was a good site and it was a good business proposition for the Government to build the plant.

Mr. NORRIS. Mr. President, I should like to make a parliamentary inquiry. I do not know whether the amendment offered by me was formally agreed to. I will ask the Presiding Officer if it has been agreed to?

The PRESIDING OFFICER. It has not been agreed to.

Mr. NORRIS. Of course, it takes precedence over a motion to strike out. I will ask that the amendment be agreed to, on page 6, line 25, after the word "nitrogen", to strike out the period and insert a comma and the words "or the cheapening of the production of fertilizer."

Mr. GEORGE. Mr. President, may the words which the Senator proposes to add be reported again to the Senate?

Mr. NORRIS. I will state them. I propose to add the words "or the cheapening of the production of fertilizer."

Mr. FLETCHER. Mr. President, has the first amendment offered by the Senator been agreed to? I refer to the amendment in line 21.

Mr. NORRIS. I think that was agreed to.

Mr. McKELLAR. I do not think it was. May I inquire of the Chair whether the amendment offered by the Senator from Nebraska to come in in line 21 was agreed to?

The PRESIDING OFFICER. That amendment has not been stated from the desk and has not been agreed to.

Mr. McKELLAR. May it be stated from the desk and acted upon? I hope it may be put in the bill.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 6, line 21, after the word "nitrogen", it is proposed to insert the words "fertilizer and fertilizer ingredients"; and on the same page, in line 25, after the word "nitrogen", to strike out the period and insert a comma and the words "or the cheapening of the production of fertilizer."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

The PRESIDING OFFICER. May the Chair inquire whether the Senator from Alabama withdrew his amendment?

Mr. BANKHEAD. I withdraw the part offered as a substitute for subsection (d) which I sent up this morning.

Mr. COOLIDGE. Mr. President—

Mr. BANKHEAD. I yield to the Senator from Massachusetts.

Mr. COOLIDGE. Mr. President, the Government apparently found it necessary to build a plant somewhere in order to make nitrates. The plant at Muscle Shoals was never intended, I believe, for anything except the production of chemicals, for the production of nitrates, which the Government needed and did not know of any other source from which it could get them.

I have watched for some years the proposed legislation in regard to Muscle Shoals. I have always believed that the Government should continue to own and maintain the plant there. I do not think it should lease that plant to anybody. The Government now needs it as an emergency plant, the same as when it built it. There is a power plant there and considerable water during a portion of the year, and that power plant is supplemented by a steam plant. It ought to be a chemical plant for the use of the Government at such times as the Government may need it.

Mr. BANKHEAD. I do not yield to the Senator for an argument; I myself am not through; I thought the Senator wanted to ask me a question.

Mr. COOLIDGE. What I am trying to set forth is my belief that this is a chemical plant and should be maintained by the Government as a chemical plant. It was never intended that the Government should build dams numbered 2, 3, and 4, involving a tremendous outlay of money, for any purpose except to provide a chemical plant, and there is no reason why the Government at Muscle Shoals should go into the business of producing electric power and sending it thousands of miles from the Tennessee Valley.

Mr. BANKHEAD. Mr. President, to answer briefly the Senator from Massachusetts, I think the best evidence of the purpose of the construction of the plant at Muscle Shoals is the declaration contained in the law authorizing the appropriation. That declaration is—

For the production of nitrates or other products needed for munitions of war and useful in the manufacture of fertilizers—

It does not say nitrates, but—

fertilizers and other useful products.

Mr. President, I regret the Senator from Arkansas [Mr. ROBINSON] has been called from the Chamber, because I wanted to answer his inquiry. Of course, I will be forced to proceed in his absence, though I am particularly anxious to have his attention to that subject. He inquired if it would be advisable to proceed with the requirement for the manufacture of fertilizer at the Muscle Shoals plant without knowing in advance that it would be profitable.

There are several answers to that suggestion, Mr. President. In the first place, one must make up his judgment as to any product in which he intends to place his money, before putting it there, whether that project will be profitable. Here is a subject which has received the most careful consideration over a period of more than 10 long years. The committee at the other end of the Capitol has given it faithful attention; it has gone into every phase of the subject as to whether or not fertilizer can be produced profitably at Muscle Shoals.

I admit that since I have been a member of the Committee on Agriculture and Forestry of the Senate no consideration has really been given to that subject by any hearings or any discussion in that committee except by one witness who set out in the hearings, as will be found therein, tables and statements and letters, including one from the Bureau of Chemistry, that nitrogen could be produced at Muscle Shoals at \$5 a ton less than the farmers in that section were paying for it. So far as I know, that is the only evidence that has been before the committee since I have been a member of it which dealt with the subject of the cost of production there and with a detailed itemized statement of cost, submitted to an unfriendly bureau of the Government, which stated the figures in the letter were correct. The correspondence is in the hearings. As the result of the investigations at the other end of the Capitol they have always insisted in incorporating in the Muscle Shoals bills a provision for the compulsory production of fertilizer at Muscle Shoals.

Mr. President, I want to bring to the attention of the Senator from Arkansas [Mr. ROBINSON], if I may, a further consideration in addition to the statement of the investigations heretofore had and the judgment of those who investigated at the other end of the Capitol. I invite his attention and the attention of other Senators to the fact that nitrate is only one of the necessary elements of fertilizer. I will give the proportion, for the information of Senators, based upon the average of fertilizer sold during 1931-32, as follows: Nitrogen, 3.31 percent; phosphoric acid, 9.25 percent; potash, 3.87 percent, which shows that really the largest element in the production of fertilizer is not nitrogen, but phosphoric acid.

Here are the prices per unit for the three elements: Nitrogen, \$2.60 per unit of 20 pounds; phosphoric acid, \$1.30; potash, \$1.09. Here is the cost of the three elements by units: Nitrogen, \$8.62; phosphoric acid, \$12.10; potash, \$4.22.

It will be seen that the cost of phosphoric acid in the average fertilizer used throughout the country was almost as high in 1931-32 as both nitrogen and potash combined. So I say it is not fair to base this question solely upon the cost of production of nitrogen at that plant in the manufacture of fertilizer. Here we have evidence submitted by the Bureau of Chemistry, an unfriendly Bureau, showing that we can produce even nitrogen itself at \$5 a ton less than it is being sold to the farmers of Alabama.

I submit further the statement that the American Cyanamid Co. at Niagara Falls, with exactly the same process, is

making nitrogen there and shipping it into all the Southern States as well as into various other sections of the country. If a plant of the same type is in successful operation, if it is taking business a thousand miles away from its location, what right have we to assume here, in enacting legislation relative to a plant of exactly the same kind, that we should not declare that the plant should be put to use in the interest of the farmers of the country?

There is a provision in the amendment authorizing the production of phosphoric acid in addition to nitrogen. Let us see about phosphoric acid. There within 50 miles on the Tennessee River, offering cheap water transportation, are the phosphate-rock beds of the State of Tennessee with unlimited quantities of phosphate rock which could be brought down the river to this plant for the production of concentrated fertilizer. I submit that in addition to phosphoric rock there is also available limestone, one of the other necessary elements, in a quarry owned by the Government, formerly operated and ready to operate again. There within 100 miles are the coal and coke which are large elements in the production of both phosphoric acid and nitrogen through the electric process.

Adjacent to the location of this great Government plant, built for the use of the farmers in time of peace, are all of the available elements except potash, and that must be imported. Everything needed for the production of nitrogen and phosphoric acid is right there in the immediate vicinity. For the benefit of the farmers, in order to get a good price for them if possible, the amendment provides that if any one of the elements of fertilizer can be bought cheaper than it can be produced at this plant, then the purchase of that one element is authorized. That gives to the operation, whether by the board or by a lessee, every latitude to bring together at the very lowest price all the necessary elements, the phosphoric acid as well as the nitrogen.

So I submit, Mr. President, that there should be no reluctance upon the part of the Congress in going ahead and declaring the purpose and the policy of the Congress to use this nitrate plant for the benefit of the farmers. We are all interested in the benefits to accrue to the people of the towns and rural communities where cheap electricity can be carried. Having in mind the long struggle by those who believe that the farmers can be benefited from the operation of this plant, I feel earnestly that we should provide not only for the town people and others as contemplated under the power provisions of the bill but for the farmers as well. I welcome the benefits for the town people; I want them to have the lowest possible price for their electricity; but I do believe that we should also give every possible benefit from that great investment directly to agriculture.

Some Senators may have an idea that the distribution of the fertilizer is purely a local matter. I am not going to take the time to read the hearings on that point, but it was shown that the concentrated fertilizer can be shipped a thousand miles, as far away as Wisconsin, showing that by reason of the great saving in freight rates we can ship 1 ton of the concentrated fertilizer as against $4\frac{1}{4}$ tons of mixed fertilizer. I am basing this argument upon the belief that concentrated fertilizers can be produced at Muscle Shoals. The fertilizer industry contends that fertilizer ought to be more concentrated; that it is economical to pursue that course of manufacture. Their reason for not doing it is based solely upon the sales resistance by the farmer. But with the Government behind a great project like this, with all its agents scattered everywhere to teach the farmers the value of the use of concentrated fertilizer, with nobody arguing successfully against the economy and value of concentrated fertilizer—I say with all those agencies available to inform the farmers of the savings involved in this program—and even without it as time passes on and they come to know of the saving in the use of concentrated fertilizer and how to apply concentrated fertilizer—I submit, Mr. President, that before many years the use of this form of highly concentrated fertilizer will spread all over the country.

No one needs to argue about the necessity for fertilizer. Since 1919 the production of wheat has decreased in the East about 20,000,000 acres and the production has moved to the West. As time goes on, as the result of erosion and exhaustion of the soil, the productivity of the land becomes less and less and the whole trend is toward a new country, toward new and fresh lands. Any thoughtful student of the program must realize that year after year the question of more and cheaper and better fertilizer is an increasingly important one. No subject before American agriculture is of greater importance. We all recognize that no subject is of more importance to all the people of the country.

If we can ship this fertilizer a thousand miles, as is estimated in a statement in the hearings, at 40 percent below what we have to pay now for mixed fertilizers, which contain nearly 80 percent of the inert matter and filler upon which we must pay the same freight rates—if there is any reasonable hope of accomplishing that result, we certainly should try it. Many of us firmly believe that it can be done, whether we can produce nitrogen with this process or not. If we cannot produce it as cheaply, then we authorize the board to buy it. No one can deny that phosphoric acid, the chief element in weight, the chief element in price, with all the elements for its production, can be produced cheaper at Muscle Shoals probably than at any other location in the entire United States, with the river being opened to navigation, and low rates, with the concentration of all of these natural resources, and with that plant put there to be used in peace times for this specific purpose—the production of the elements of fertilizer. The other House year after year has stood for that program; and the Senate, in acting on the last two bills that went to the President and were vetoed, has incorporated in them this very compulsory plan for production of fertilizer, not in the language of this bill, but calling for the production of a fixed and minimum quantity of nitrogen.

I am not going to take any more of the time of the Senate. I sincerely hope, however, that the farmers will be given an opportunity to benefit not only by the distribution of electricity in such rural communities as can afford it, but also by giving to them the opportunity that we believe is there for securing cheaper fertilizers, for a reduction in their cost of production. I hope the Senate will see its way clear to agree with the House upon this subject, and let us dispose of it once for all.

Mr. NORRIS obtained the floor.

Mr. WHEELER. Mr. President, if the Senator from Nebraska will yield for that purpose, I suggest the absence of a quorum.

Mr. NORRIS. I yield.

The PRESIDING OFFICER (Mr. POPE in the chair). The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Keyes	Robinson, Ark.
Ashurst	Cutting	King	Robinson, Ind.
Austin	Dale	La Follette	Russell
Bachman	Dickinson	Logan	Sheppard
Bankhead	Dill	Loneragan	Shipstead
Barbour	Duffy	Long	Smith
Barkley	Erickson	McAdoo	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Bratton	George	McNary	Townsend
Brown	Glass	Metcalf	Trammell
Bulkeley	Goldsborough	Murphy	Tydings
Bulow	Gore	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hastings	Nye	Walcott
Caraway	Hatfield	Overton	Walsh
Clark	Hayden	Patterson	Wheeler
Connally	Hebert	Pittman	White
Coolidge	Johnson	Pope	
Copeland	Kean	Reed	
Costigan	Kendrick	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Alabama [Mr. BANKHEAD].

Mr. NORRIS. Mr. President, I do not desire to detain the Senate any longer than is absolutely necessary to have them understand what would happen if the amendment of the Senator from Alabama were agreed to.

The part of the amendment that the Senator withdrew is still, in another form, in the amendment, as I read it.

Everything that it seems to me we are justified in doing is to authorize this board, in carrying out its experiments, to use any facility, any instrumentality, that is possible to cheapen the production of fertilizer. If, however, we compel the board to operate plant no. 2 at Muscle Shoals to produce nitrogen, which is all it is fit for without remodeling, and is all it was designed for, we will find—the testimony to this effect is almost unanimous, and I think it is unanimous when it comes from disinterested sources—that we shall have to produce every pound of it at a pecuniary loss over a more modern process.

Originally, when we commenced to get nitrogen from the atmosphere, it was done by the arc process. That is the oldest process. Nitrogen can be produced yet by the arc process, but it is exceedingly expensive. It can only be done economically where power, of which it requires a vast amount, is practically worthless for other purposes and has no market value. But that is the only process that was known originally. Time passed, and the cyanamide process was invented. That is the process utilized at nitrate plant no. 1 at Muscle Shoals.

At the beginning of the World War we did not know anything about the Haber process, or, as it is almost always called, the synthetic process. That was not known. The most modern way known of getting nitrogen from the atmosphere was through the cyanamide process, and that was the state of the knowledge when we built nitrate plant no. 2 and undertook the improvement at Muscle Shoals. That plant was designed to produce 40,000 tons of nitrogen per annum. It will do that. It fulfills all the calculations made for it.

We got into the war and it became common knowledge among all our allies and ourselves that Germany had some cheaper way of making nitrogen because by the fleets of the allied nations she was shut off from Chile, the world's source of supply of nitrogen at that time. We did not know about that German process until the war was over. When the war had ended our scientists went all through the plants in Germany, and immediately the newer process, the Haber process, began to be developed all over the world. I think the first plant in this country was at Syracuse.

The cyanamide process, a big improvement over the arc process, required still a large amount of power, but not nearly as much power as the arc process. The Haber process required still less power. In fact power is not considered an important item in the cost of production under that process. About all that is needed is power to operate the machinery. There has to be some steam used in that process. They use low-pressure steam; and the raw material, instead of being power, is coke. Cheap coke is necessary in order to get cheap nitrogen from the atmosphere by the synthetic process.

Since the close of the war, the synthetic process has been developing, gradually increasing, and improving. Men have gone into the business all over the world, including our own country, of getting nitrogen from the atmosphere, and of course they proceed on a business basis. I think it is safe to follow them. They would not do it for fun. They did not have to do it as the Government had to do it in time of war in order to get explosives. So they took the process that was the cheapest, and the most scientific, and they have improved that. There have been various modifications of it, and it has been very much improved.

We have at Muscle Shoals nitrate plant no. 2, which gets nitrogen out of the atmosphere by the cyanamide process. It is out-of-date, and, let me repeat, I am not blaming anybody for urging that we build it. Our Government did the best it could. It feared that it might be short of explosives and have to have nitrogen, and it devised that plant, the most

modern we knew anything about at that time. I should be glad if it were still a good plant. I am not making these assertions because I am glad these conditions have come about. I regret that that nitrate plant is out-of-date. I wish it were a modern plant and could be cheapened; but we must face the scientific facts.

Mr. President, I did not expect to go into this matter, but the Senator's amendment has made it necessary that I produce the facts. I regret exceedingly that the Senator has offered his amendment. Yesterday we prevented the adoption of an amendment which would have stricken out of the bill section 13, if it had been agreed to. I did everything I could to keep that section in the bill. Some Senators were in favor of striking it out, and I concede that everyone who voted for the amendment voted in good faith. It is a question which has two sides. But if there is any advantage between States, Alabama and Tennessee get the advantage. I opposed the amendment because it seemed to me it was fair that something should be paid in lieu of taxes. But almost any State would be glad to have this great improvement within its borders.

I do not question anybody's good faith, but it seems to me that Representatives from Alabama and Tennessee ought to think a long while before they try to put an amendment onto this bill which would compel the Government of the United States to manufacture fertilizer and produce nitrogen from the atmosphere by that antiquated system at Muscle Shoals, which I think I will be able to demonstrate would mean a loss on every ton ever produced. Yet if the pending amendment is agreed to, we are going to compel the taxpayers of the United States to contribute their hard-earned taxes to pay the expenses of this losing proposition for the benefit of the farmers within shipping distance of Muscle Shoals. That is not fair. I think the farmers of Alabama and of Tennessee, if they considered it in an unbiased manner, would realize that it was not fair. The taxpayers of Maine and New York and California and Kansas have their money in that investment down there.

In my judgment, we are not justified in using it to go into the fertilizer business for the assistance of farmers within a radius of two or three hundred miles of nitrate plant no. 2, even though I should be glad to assist them. That is doubly so when I think it can be demonstrated as a scientific fact that we cannot by that system produce fertilizer at such a cost that it will be able to undersell fertilizer which has been on the market at any time since that great plant was constructed. Yet that is what the amendment means. It means more than that, but that would be the effect.

Mr. President, a large part of the power generated there would be used to produce nitrogen by an antiquated system. The modern system would require no power, except the power necessary to operate the machinery, but to operate cyanamide plant no. 2 would require, as I remember it, somewhere in the neighborhood of 80,000 horsepower to operate it at capacity, producing a product which we would have to sell at a loss, making it impossible to use the power anywhere else.

Mr. President, can Senators see where the Power Trust is interested in this amendment? Is it not a fact that the Power Trust—while they would rather have the power themselves—if they cannot get it, would like to see the Government utilize it where it would not do anybody any good and do them no harm?

Mr. President, I have an abundance of scientific testimony running through the hearings of many years, all to the effect that nitrate plant no. 2 has been superseded by a newer system. Since we constructed that plant, since the synthetic process has been known, not a single nitrate plant to operate under the cyanamide process has been constructed in the United States, not one. We own the only one there is. On the other hand, eight synthetic-process plants have been established, and some others have been considered as business ventures, so that there are produced by the synthetic process in the United States, in round numbers, 190,000 tons of nitrates a year. That

is 190,000 tons more than we had capacity for under any process before we went into the war.

Mr. President, those plants are operating on a business basis, so that we would not be confronted, even in case of war, with the danger with which we were confronted when we entered the World War, because we have a possible production in privately owned plants in the United States that would more than supply all the uses of the Army and the Navy even in time of war. We built nitrate plant no. 2, with 40,000 tons capacity, with a view to taking care of the needs of our Army and Navy for explosives.

Mr. President, I want to show the Senate just how these various systems have developed. I want to read now from Dr. P. E. Howard, of the Bureau of Chemistry and Soils, in our own Department of Agriculture, right here in Washington. In the 41 countries listed by Dr. Howard, there was a total world consumption during 1928 of 7,770,000 tons of plant food, which would amount to 43,000,000 tons of fertilizer, assuming the average plant-food content to be 18 percent.

Germany, the United States, and France, with one tenth of the world population, use more than one half of the world's supply of fertilizer. The total value of world production is estimated at \$592,000,000.

The world production of fixed nitrogen has increased during the 20-year period from 1909-29 from 239,250 tons to 1,785,300 tons. About 87 percent of the nitrogen is used in agriculture. At the end of 1929 there were 121 nitrogen-fixation plants in 18 countries with a total capacity of 2,203,900 tons.

There were seven nitrogen-fixation plants in operation in the United States during 1929.

There are eight now.

A new plant began producing in 1930. All of these plants use the direct ammonia synthetic process.

Not a single one of them uses the cyanamide process.

Muscle Shoals nitrate plant no. 1 was the first direct synthetic ammonia-fixation plant built in the United States, and although it was a failure—

I told the Senate about that yesterday. When we did not know how to proceed, we did the best we could, but we could not get behind the German armies and find out how they were making nitrogen, and at nitrate plant no. 1 we made a failure.

Nitrate plant no. 2, under the cyanamide process, that we knew all about, was not a failure. Although nitrate plant no. 1 was a failure, it served as a forerunner for the great industry that has developed here in the last few years.

During 1929 the consumption of inorganic nitrogen in the United States amounted to approximately 452,261 tons. Domestic production was 271,600 tons.

I have a table here, if anyone is interested in it, showing in detail the production all over the world, but I do not believe it is necessary to read it. I want to show how these three systems of obtaining nitrogen from the air have been developed. As I said, the old arc process is still used but is going down. The cyanamide process, developed later and requiring less power, went up and up for a good many years until the synthetic process was developed. Then the synthetic process gradually climbed up until it is now away in the lead all over the civilized world.

The arc process in 1909 produced 3,300 tons of nitrogen. That was not very much for the world. The cyanamide process, then just starting, was second. It produced 2,750 tons. The synthetic process produced nothing; it was unknown in 1909.

In 1913 let us see how production progressed. The arc process produced 19,800 tons; the cyanamide process increased its production to 66,000 tons; and the synthetic process, then in its infancy, produced 7,700 tons. It was third, it will be observed.

Take the next table, for 1917. The arc process produced 33,000 tons; the cyanamide process increased rapidly over its previous production, and in 1917 produced 220,000 tons; and the new process, the synthetic process, made the greatest percentage of increase of all, producing 121,000 tons.

Now, coming to the year 1924, in that year the arc process produced 33,000 tons, the same as before; the cyanamide

process produced 136,400 tons. It will be noted that production under that process fell off nearly 100,000 tons. Why? Because the new process was taking the place of all the others, and in that year the synthetic process produced 275,100 tons.

In 1929 the arc process produced still the same amount, 33,000 tons; the cyanamide process produced 264,000 tons; and the synthetic process produced 1,018,000 tons. So it took the lead, and it has maintained it ever since.

No chemist on earth would now think of building a plant like nitrate plant no. 2. I had a conference this morning with one of the leading chemical engineers of the United States. I welcomed the opportunity to confer with him because I knew this amendment was coming up. I asked him about it. I asked, "How much more does it cost to produce nitrogen by the cyanamide process than by the synthetic process?" He said, "It costs more than 50 percent more." Now we are asked to vote for an amendment that would compel the board to manufacture fertilizer the nitrogen content of which would be produced at nitrate plant no. 2 at a cost that would be more than 50 percent of what the Government could go out and buy the nitrogen for in the market. Is that proper business? Is that what we desire to put the Government of the United States into? The Government can go out today and buy in the open market all the nitrogen that nitrate plant no. 2 will produce, and save 50 percent in cash. That is the proposition which is before the Senate; that is what we are going to be called on to vote for. I cannot understand how a man from a State which will get great benefit out of this great improvement, a State which is in the great Tennessee Valley where the agencies to be set up are going to try to improve navigation and forestation, to reclaim land and apply it to useful purposes, and to insure the development of large amounts of electricity for use in the home and in the factories—I cannot understand how a man coming from such a State should deliberately ask Senators to vote for an amendment that will take 80,000 horsepower of that which will be produced at Muscle Shoals and devote it to the purpose of producing nitrogen which the Government can go out and buy for 50 cents as against every dollar it will cost to produce a unit. Mr. President, it does not seem to me to be reasonable; it does not seem to me that we ought to do it.

The Senator spoke of the cost of nitrogen in the production of agricultural fertilizer. I want to call the attention of the Senate to just how the cost of a ton of fertilizer may be divided. One of the common forms of fertilizer which is used by the farmer is what is known as "4-8-4." That means that there are 4 units of nitrogen, 8 units of phosphorus, and 4 units of potash in the fertilizer. Those are the three constituents of a certain grade of agricultural fertilizer; they represent the quantity of plant food. There is a lot of dirt in it with which it is necessary to mix the fertilizer and increase freight, and so forth, but the plant food that is in it is known by the formula "4-8-4."

Now, let us take a ton of fertilizer and assume that it cost \$17.60 and is made up of nitrogen, phosphorus, and potash, and let us see where we come out. The potash in such a ton of fertilizer would cost \$3.20; the phosphoric acid would cost \$4; the nitrogen would cost \$10.40. So, when the Senator says that phosphoric acid is the cheap product under present prices, I think he has another guess coming.

The greatest possibility for a reduction in the cost of fertilizer is the cheapening of nitrogen. It would help to cheapen the potash ingredient and to cheapen the phosphorous ingredient, but the greatest help that could come would be to cheapen the product of the fertilizer which costs the most, and the nitrogen cost is greater than the cost of the other two ingredients put together. We have a plant at Muscle Shoals that will produce nitrogen by the cyanamid process at a cost at least twice as great as we know it can now be produced by the synthetic process. I know that over this broad country propaganda has been circulated for 12 years that if we would just start up nitrate plant no. 2 we could make fertilizer almost for nothing. Millions of honest farmers have been made to believe that statement. It is not

true now, and it never was true. A man may believe it to be true, and he may be honest and conscientious about it until he knows the facts; but I cannot see, when he faces the record, how he can believe any such thing.

Mr. President, if I had any prejudice about it, I never knew it. I have had no personal interest in it. This project has no direct application to the section of the country from which I come. I certainly cannot be charged with having a selfish interest. I know that in every campaign I have been in since I have been connected with Muscle Shoals legislation I have been condemned over the prairies of Nebraska by partisans and by partisan newspapers because I took an interest in Muscle Shoals, because they said I was not doing something for my own State. I have tried from the very beginning, as I am trying now, to carry out a program in connection with this matter which will benefit the farmers of America as a whole. I am interested in the farmers of Alabama, but I am no more interested in them than I am in the farmers of New York, or than I am in the farmers of Tennessee or Nebraska or Iowa. I thought there was an opportunity here to do something for all the farmers of America. I do not believe we can do that if we take their money and put it into a losing venture and sell fertilizer at a loss. Even though it may help a few farmers, we are not justified in doing it. No honest man will expect us to do it. All we have got to do is to proclaim the truth and nothing else.

The bill as it now stands—and as I hope it will remain—will employ Government funds for experimentation on a large practical scale. I know that things are brought forth from the laboratory which do not work when it comes to bulk production. I have seen chemists testifying before the Agricultural Committee show their little bottles of concentrated fertilizer, but the farmers are not using that on their crops. I hope they will be able to do so at some time; I hope by our experimentation we may enable them to do that and save freight, because 80 percent of the freight is paid on the worthless dirt that is used to mix with the fertilizers.

I believe we are justified in cheapening the cost of fertilizer. It is a broad world to enter; it has wonderful possibilities. I know that chemists and chemical engineers have been working on it all over the world for years, but nobody except the Government is able to make the experimentation on a large scale. I have no connection—nobody has ever charged that I have had—with any fertilizer corporation; but I can see how a fertilizer company is not justified in making experiments such as this bill provides the Government shall make. Everybody knows that probably nine tenths of experiments fail; we do not expect them always to succeed. Sometimes, as I said a moment ago, chemists are able to produce in a laboratory something that seems to be perfect, and yet it takes years of experimentation before the article thus brought forth produces any practical benefit to anybody.

I want to ask the Senator from Tennessee [Mr. McKEL-LAR], who honors me with his presence, if he represented a corporation in which the stock was held by the various Members of this body who had contributed their money for use in the fertilizer business, if he were managing it, whether he would feel justified in taking our money and entering upon an experiment that might cost hundreds of thousands of dollars? He might believe it would succeed. If he tried it, it might succeed, but the chances are it would fail. But he would not try it—of course he would not, because he is an honest man.

Men and women who put their money into that kind of an institution cannot afford to have experiments made, but the Government, in behalf of all the people of the United States, can afford to make such experiments. We have been expending public money for all kinds of experiments ever since I have been in public life. Since I have been a member of the Committee on Agriculture and Forestry we have taken volumes of testimony on the cost of potash, one of the elements of fertilizer, indeed a necessary element. We get it mostly from Germany. It is a sad thought that we have to go to a foreign country to get this necessary element. I would be willing to spend millions of public money in order

to discover potash in the United States and make us independent of the world in that regard, as well as independent of corporations and trusts that combine and have in the past and will in the future combine to raise the price to our farmers.

The Committee on Agriculture and Forestry have reported measures authorizing the expenditure of thousands and hundreds of thousands of dollars in the effort to find potash beds in various sections of the United States. We have spent the money and discovered some potash beds. During the war, when we were cut off from Germany and could not get potash from that source, we obtained potash from lakes in my own State, lakes in sand hills impregnated with potash. The water was pumped out and potash obtained. It was thought for a while that there was a great bonanza there. Fertilizer went almost to the sky in price. The Nebraska potash was sold for a good price; but when the war ended and potash began to come in again from foreign countries, that Nebraska institution failed.

There again I met with my own people and had a controversy with them. Some of my friends lost all the money they had invested in those potash beds. If they could have gotten the prices they received during the war, they would have been millionaires. The first thing that many of them did was to ask for an enormous tariff to be levied on the importation of potash. I had many a bitter controversy with my own constituents. I refused to stand for a tariff on potash. Indeed, I was in favor of putting potash on the free list, because it seemed to me we were not justified, in order to help a few good, honest people in my own State, in levying a tribute upon every farmer in the United States. So the potash works there have ceased to exist and the money invested is all gone.

Public money has been spent in Texas, in Utah, in Nevada, and other sections of the West and South trying to discover potash beds, all for the benefit of the farmer, and incidentally for the benefit of the consumer as well, because the consumer has to pay, and ought to pay, the farmer for his food products, together with a profit, which unfortunately he is not getting at this time.

If we could cheapen fertilizer, we would help everybody. Here is a plan which may fail. We must honestly admit that. I have no doubt that most of the experiments will fail; but, if we can cheapen the production of nitrogen from the atmosphere, we will help every farmer in the United States who has to use fertilizer and we will help every consumer who has to buy the products of the farm. Therefore it is a national question. I have been considering it as a national question from the beginning. It hurts me to think we might have a proposition here that would compel the use of the taxpayers' money in an experiment which we know in advance is going to fail.

I have no objection to the leasing of nitrate plant no. 2. I realize, however certain I may be from my studies of 10 years, that we cannot produce nitrogen there to compete with nitrogen which can be produced by the synthetic process; but I hear Senators and others say that we can. However, I believe they are biased; I believe they are prejudiced; I believe they have been deceived by the national propaganda which the American Farm Bureau Federation for 10 years has spread over the country. But Senators and others who make that statement are honest about it. I realize after all, with all the evidence I have in my possession and all the studies I have made, that I may be mistaken. So I am willing to authorize the board to lease nitrate plant no. 2. It may be that some new invention will come along which will improve the cyanamide process. I would be very happy if it could be developed. It would make nitrate plant no. 2 of some value.

In the bill we have authorized the board in its discretion to get nitrogen out of the atmosphere by the use of any method on earth, and that, of course, includes the cyanamide process. But if I am wrong, if nitrate plant no. 2 can produce nitrogen cheaper than by any other method, of course I want it utilized. The Farm Bureau Federation never advocated that the Government should do it. Even the Sena-

tor from Alabama [Mr. BANKHEAD], who has offered the amendment that directs the Government to do it, says he thinks it could better be done by private parties.

I have on my desk an amendment which I have prepared, which would authorize the President of the United States to lease nitrate plant no. 2 to the American Farm Bureau Federation or to any corporation it might organize. Under the terms of the amendment he could make such a lease at \$1 a year, and we would agree to furnish power as cheaply as we furnish it to anybody else, in like quantity and of the same quality. When the pending amendment shall be disposed of, if it shall be defeated, as I sincerely hope it will be, I am going to offer that amendment. Personally I do not anticipate anything occurring under it, but I would like to call the bluff of the American Farm Bureau Federation, if it is a bluff. If it is not a bluff, if they are in earnest, then for God's sake let them lease it, and if they succeed no one in the world will be more delighted than I.

Mr. President, I hope the amendment of the Senator from Alabama will be defeated.

Mr. SMITH. Mr. President, I have been very much interested in the debate that has gone on in reference to the use of the Muscle Shoals plant.

Mr. LONG. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. SMITH. I yield.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Keyes	Robinson, Ark.
Ashurst	Cutting	King	Robinson, Ind.
Austin	Dale	La Follette	Russell
Bachman	Dickinson	Logan	Sheppard
Bankhead	Dill	Loung	Shipstead
Barbour	Duffy	Long	Smith
Barkley	Erickson	McAdoo	Steiwer
Black	Fess	McCarran	Stephens
Bone	Fletcher	McGill	Thomas, Okla.
Borah	Frazier	McKellar	Thomas, Utah
Bratton	George	McNary	Townsend
Brown	Glass	Metcalf	Trammell
Bulkey	Goldsborough	Murphy	Tydings
Bulow	Gore	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hastings	Nye	Walcott
Caraway	Hatfield	Overton	Walsh
Clark	Hayden	Patterson	Wheeler
Connally	Hebert	Pittman	White
Coolidge	Johnson	Pope	
Copeland	Kean	Reed	
Costigan	Kendrick	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. SMITH. Mr. President, as I said, I was very much interested in this discussion about Muscle Shoals and the use of the power there for the production of nitrogen or for the production of hydroelectric power.

I have been amazed to hear the discussion as to the use of the cyanamide plant. I presume there are very few in this body who are interested in the production of fertilizer, judging from the discussion I have heard on this floor, and the importance it has assumed. Only those are interested who are dependent upon the use of it for the production of a crop and the fertilization of their soil, who know the absolute necessity of using artificial chemical fertilizer from the coast of Maine to Florida and back into the interior as far as the mountain range.

When I introduced the first bill that became law for the establishment of a plant or plants for the extraction of nitrogen from the air, there were two reasons why it seemed absolutely essential that this should be done. One has been discussed here very freely—the necessity of our Government to have nitrogen, which is the basis of all high-power explosives. The other was the necessity of agriculture in every form to have artificial fertilizer, not alone on the Atlantic seaboard, but to a rapidly increasing extent in the more or less depleted soil of the Middle West and the West. The problem was how to furnish the people of this country

with an artificial fertilizer, which is now so very essential, as population has increased and we are becoming more or less standardized, and the land in cultivation cannot be diversified as it was during our colonial period. Then, when a piece of land was worn out, it was thrown out of use, and a new piece was brought under cultivation. Now the same land has to be cultivated from year to year; and the question was, how to take from the soil every year millions of tons of fertilization in the form of the finished product without depleting the soil; how to put back in the soil the elements essential to growth.

For years and years we have been rotating, planting the legumes and turning them under, for the purpose of fertilization. That is not practicable throughout the Atlantic seaboard. Therefore the great problem has been how we could chemically keep these soils up to a high state of production at the least possible cost.

All of you know, or should know, that the prime essential in all plant food is nitrogen, or its convertible feature, ammonia. Ammonia is readily convertible in chemical terms into nitrogen. When I introduced this bill, it was introduced for the purpose of ending our dependence upon Chile for our supply of that essential feature in explosives, which meant the public defense. During the World War we were absolutely dependent upon our importations of Chilean nitrates for the explosives we made. It was an experimental time. There had been discovered a process by which nitrogen could be taken from the air, but it was in the empirical or experimental stage; and the first successful one—that is, the first one that produced nitrogen in such quantities and at such a price as to compete with the imported Chilean nitrate—was the cyanamide process at Niagara Falls. Like all scientific experimentation, however, the mind of genius was excited, and began to seek a solution of the problem of how to drive the nitrogen away from the oxygen of the air, how to get it in such a form that it could be held and bound and then made available for crop purposes.

The experimenters first took lime, and, after using tremendous heats in an electric furnace, in order by the very power of heat to drive off, in the absence of a more acceptable method, the nitrate from the oxygen, they found that they could combine nitrogen in this lime form and produce what was known as "cyanamide." That being the best process with which our scientists at that time were acquainted, we constructed the cyanamide plant at Muscle Shoals. Then the war came to an end; and immediately, just as soon as this great power had been developed and dedicated, as the original bill did dedicate it, to the production of nitrogen to defend this country in time of war and to aid farmers in time of peace, just as soon as the war was over and the driving necessity for this ingredient in time of war disappeared, the battle began as to whether or not the Government would carry out its solemn pledge and promise to the American people, which promise, I maintain, is as imperative now as it was the day of the passage of the bill.

Upon whom are we dependent now for explosives? What plant has the Government that it could utilize in time of war for the purpose of manufacturing enough nitrogen for the use of the Army and Navy and our home defense?

Before I go into that, however, the argument has been made here that because we cannot use nitrate plant no. 2, because it is obsolete, because it is out of date by reason of the rapid progress of the discoveries of science, therefore we must not produce any nitrogen at Muscle Shoals.

Suppose the Government had kept faith with the American people, had developed that plant, and had kept pace with the development of the various processes of extracting nitrogen from the air. Would we have been today in a position to say that our investment there was obsolete? As a matter of course, we would have kept step with the discoveries of science and the modern method of extracting nitrogen from the air through the use of a catalyst. That is some form of chemical which, it has been discovered, has the power of breaking down the combination of oxygen and nitrogen in an amazingly, miraculously cheap way. To such an extent has this process been improved that within the

past 12 years it has reduced the cost of this ingredient 50 percent.

Ammonium phosphate, one of the forms in which nitrogen is used for the purpose of aiding agriculture, has reduced almost by half the price of nitrate of soda that has been imported from Chile and that is used by all the farmers throughout this country from Maine to Florida. The process of extracting nitrogen from the air and producing ammonium phosphate has been carried so far that it has almost cut in two the price to the farmer; and yet that process is owned, used, and controlled today by those who have invested their money and done the "dead work", who are doing it for a profit to themselves, and who knows what the cost is?

This process, as all the figures here will show, has reduced the cost of production of this ingredient to a point where the use of inorganic atmospheric nitrogen has risen from one half of 1 percent in 1913 to 60 percent today of all the nitrogen used in fertilizing processes. That gives you some idea of the progress of the art, and the consequent relief to agriculture; and yet we stand on this floor and argue about the use of a plant that was as good as any when it was constructed but is completely obsolete and out of date now!

What is the obvious duty of this Government? If we are to carry out the pledge of the original and basic law, we can easily avail ourselves of the processes by which private individuals have practically cut in two the price of this ingredient; and if we do not want to go any farther, we can by the installation of these simple devices determine what is the cost of fertilizer as well as dedicating this bill to determining the cost of power.

The process of extracting nitrogen from the air has passed the empirical stage. I think all chemists will agree that we cannot go farther than the discovery of a catalyst which breaks down the oxygen and the nitrogen of the air, and in the presence of certain steam preparations produces ammonia, which is the hydrated form of nitrogen. It has passed the empirical stage; and in a granulated form as beautiful as pearl grits it is being shipped throughout the country to the absolute lowering of the price of all forms of ammonium or nitrogen-carrying fertilizers.

What is the use of standing on this floor and arguing about the utilization of an obsolete plant? If it is obsolete, what is our duty? To get the up-to-date method and determine for the farmers what is the real cost.

Mr. President, just last spring the fertilizer people of this country were petitioning Members of Congress to invoke the antidumping law because foreign countries were pouring this form of ammonia into this country at a cost that gave to those who were dependent upon fertilizer at least some hope of fertilizing their land without mortgaging their lives to the fertilizer producers. I have here from the Department of Agriculture a statement that 18 percent of the cost of producing crops in the South Atlantic States is due to the cost of the fertilizer.

Mr. President, as a matter of course, I understand that very few men in the Senate know anything about the fertilizer problem, and they do not care, because they have not personally felt the intolerable burden of having to buy the ingredients necessary to fertilize the soil or abandon their farms. It is a curious fact that along the South Atlantic, without artificial fertilizer, the lands are worthless, and that with fertilizer they are the highest producing spots in the United States. With the use of this very element of nitrogen, Jerry Moore, in my State, on a "black jack" bottom, made 230 bushels of corn on 1 acre. Mr. Drake, of Marlboro, S.C., with the use of this very ingredient, made 250 bushels of corn on 1 acre. With the use of phosphoric acid, potash, and ammonia or nitrogen, the last two being interchangeable terms, from 4 to 5 bales of cotton have been produced on 1 acre of sandy soil in the Carolinas. I dare submit today that any practical farmer—I do not mean economists, or experts, or professors, but I mean a real, true-to-God dirt farmer—will testify that you can take this ingredient and, on a sand hill, which has only the power

by capillary attraction of keeping the moisture there, make a crop with nitrogen.

Mr. President, gentlemen talk about experimentation. I claim that not only should there be still further governmental experimentation but, if we are to produce, transmit, and sell power, we should produce, transmit, and sell fertilizer. The principles are identically the same, and, in the name of God, if the Government is to go into the business of helping anybody, it is that class who are dependent upon fertilizer for their living, for more than 15,000,000 homesteads who should be helped.

There has been much talk about nitrate plant no. 1 and nitrate plant no. 2. They are both obsolete and out of date, but I claim that by the catalyst method fertilizer can be produced with a minimum of power and a maximum of results. Therefore, what is the logic? If under the old process it would take practically all of the power of Muscle Shoals to produce an amount of nitrogen not sufficient to meet the needs of the United States, and if today, by the production of the power necessary to produce a unit of nitrogen, Muscle Shoals can be geared up under the new synthetic process to produce enough nitrogen to meet all the needs of America, and it can do it, and all the needs of the Army and Navy, what right have we to say that, because the process is so cheap, it would be produced anywhere? That is a greater argument why we should not use all this power which the people have contributed their money to develop for the specific purpose of furnishing our Army and Navy with an abundance of explosives, and, under the testimony of our own experts, this very nitrogen used under the synthetic process can be used for the manufacture of explosives as readily as or more readily than we have been using it for all these years.

Chile has charged us from eight to eleven dollars a ton export duty, and we were dependent upon that source. Today, with Muscle Shoals in operation producing nitrogen under the synthetic process and using it in the manufacture of modern explosives, who is here to say that we would not be justified in doing what is proposed?

I am not going to discuss the question of the obsolescence of nitrate plant no. 1 or nitrate plant no. 2. It is our duty, if they are out of date, to scrap them and use the modern process.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BLACK. I do not want to have any argument at this point, except to state that I have before me the fertilizer yearbook for 1932, and, instead of the cyanamid process being wholly obsolete in 1931, there were shipped into this country, according to this book, 51,314 tons, and the capacity of the plant at Muscle Shoals is only 40,000 tons.

Mr. SMITH. Mr. President, I was just saying that that was the argument. If they have modified the cyanamid process so that there can be competition with the synthetic process, I have not a word to say; but I have risen for the purpose of pointing out to this body wherein lies the difference in principle between producing power, transmitting and selling it, and manufacturing fertilizer, and transmitting and selling it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Alabama [Mr. BANKHEAD].

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. DALE. On this question I am paired with the junior Senator from California [Mr. McABOOL].

Mr. HEBERT. On this vote I have a general pair with the Senator from Illinois [Mr. LEWIS]. I am informed that if he were present he would vote as I intend to vote, and therefore I am free to vote. I vote "nay."

I wish to announce, further, that the Senator from Minnesota [Mr. SCHALL] has a general pair with the Senator from Illinois [Mr. DIETERICH]. I am not advised as to how either Senator would vote if present and voting.

Mr. KENDRICK. I desire to announce the necessary absence of the Senator from Illinois [Mr. DIETERICH]. If present, he would vote "nay" on this amendment.

I also wish to announce the necessary absence of the Senator from North Carolina [Mr. BAILEY] and the Senator from Ohio [Mr. BULKLEY].

I also wish to announce that the Senator from Nevada [Mr. PITTMAN] has a general pair with the Senator from Pennsylvania [Mr. DAVIS].

The result was announced—yeas 12, nays 73, as follows:

YEAS—12

Bankhead	Fletcher	Overton	Sheppard
Black	Kendrick	Reynolds	Smith
Byrnes	McGill	Russell	Stephens

NAYS—73

Adams	Costigan	Johnson	Reed
Ashurst	Couzens	Kean	Robinson, Ark.
Austin	Cutting	Keyes	Robinson, Ind.
Bachman	Dickinson	King	Shipstead
Barbour	Dill	La Follette	Steiner
Barkley	Duffy	Logan	Thomas, Okla.
Bone	Erickson	Loneragan	Thomas, Utah
Borah	Fess	Long	Townsend
Bratton	Frazier	McCarran	Tydings
Brown	George	McKellar	Vandenberg
Bulow	Glass	McNary	Van Nuys
Byrd	Goldsborough	Metcalf	Wagner
Capper	Gore	Murphy	Walcott
Caraway	Hale	Neely	Walsh
Carey	Harrison	Norbeck	Wheeler
Clark	Hastings	Norris	White
Connally	Hatfield	Nye	
Coolidge	Hayden	Patterson	
Copeland	Hebert	Pope	

NOT VOTING—10

Bailey	Davis	McAdoo	Schall
Bulkley	Dieterich	Pittman	Trammell
Dale	Lewis		

So Mr. BANKHEAD's amendment was rejected.

RELIEF OF UNEMPLOYMENT

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 4606) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WAGNER. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York.

The motion was agreed to; and the Presiding Officer appointed Mr. FLETCHER, Mr. WAGNER, and Mr. NORBECK conferees on the part of the Senate.

MUSCLE SHOALS

The Senate resumed consideration of the bill (S. 1272) to improve the navigability and to provide for the flood control of the Tennessee River, to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals, in the State of Alabama; and for other purposes.

Mr. NORRIS. I send to the desk an amendment to the pending bill, which I ask may be read.

The PRESIDING OFFICER. The amendment submitted by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 8, after line 17, it is proposed to insert the following:

(m) The President is authorized, within 4 months after the passage of this act, to lease to the American Farm Bureau Federation, or to any corporation organized by said corporation, nitrate plant no. 2 and Waco Quarry, together with the railroad connecting said quarry with nitrate plant no. 2, for a term not exceeding 50 years, at a rental of not less than \$1 per year; but such authority shall be subject to the express condition that the lessee shall use said property during the term of said lease exclusively for the manufacture of fertilizer and fertilizer ingredi-

ents to be used only in the manufacture of fertilizer by said lessee and sold for use as fertilizer. The said lessee shall covenant to keep said property in first-class condition, but the lessee shall be authorized to modernize said plant no. 2 by the installation of such machinery as may be necessary, and is authorized to amortize the cost of said machinery and improvements over the term of said lease or any part thereof. Said lease shall provide that during the second and third years of the same said nitrate plant no. 2 shall be operated to at least 25 percent of its capacity, and that during the remainder of said lease the same shall be operated at least to 50 percent of its capacity; and said lease shall also provide that during any year of the period covered by said lease, if the lessee operates said plant to 75 percent of its capacity, then the rental for such year shall be remitted. Said lease shall also provide that the board shall sell to the lessee power for the operation of said plant at the same price that it charges all other customers for power of the same class and quantity. Said lease shall also provide that if the said lessee does not desire to buy power of the publicly owned plant, it shall have the right to purchase its power for the operation of said plant of the Alabama Power Co. or any other privately owned corporation engaged in the generation and sale of electric power, and in such case the lease shall provide further that the said lessee shall have a free right of way to build a transmission line over Government property to said plant. Said lease shall also provide that the said lessee shall covenant that during the term of said lease the said lessee shall not enter into any illegal monopoly, combination, or trust with any privately owned corporation engaged in the manufacture, production, and sale of fertilizer with the object or effect of increasing the price of fertilizer to the farmer.

Mr. NORRIS. Mr. President, I am offering this amendment, as I said in the debate on the amendment offered by the Senator from Alabama [Mr. BANKHEAD], for the purpose of leasing nitrate plant no. 2. To be of any value, nitrate plant no. 2 must have with it Waco Quarry, the limestone quarry, and that is included in the authorization. It also must have the railroad which is owned by the Government connecting Waco Quarry with nitrate plant no. 2.

Mr. President, as I said today in the debate on the amendment we have just voted on, and to some extent on yesterday, the propaganda that has been going over the country for 10 years has been fathered more by the American Farm Bureau Federation than any other organization, although it always seemed to me that there was a good deal of doubt as to whether that organization was really paying the expenses of what was, in a great many instances, a very expensive propaganda based on two things: First, that nitrate plant no. 2 at Muscle Shoals could produce nitrogen cheaper than any other plant on earth could produce it; and, second, that in order to get effective results from it, it must be operated by a private corporation, and that the dead hand of the Government must be removed; that there must not be any semblance of public ownership anywhere.

The recommendation made by the commission appointed by Mr. Hoover, after he had vetoed the Muscle Shoals bill that went to him during the last Congress, was that Muscle Shoals be leased, preferably to a farmer-owned corporation.

Mr. President, if these people are right, then here is their opportunity to make good on the boasting in which they have been indulging for 12 years. No one will be more delighted than I to have it prove a great success. I am, therefore, asking the Senate to add this amendment to the bill and to give the President the authority to make such a lease.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. Under this amendment could the Farm Bureau Federation, if the property should be leased to them, use it for any other purpose except for the manufacture of nitrates?

Mr. NORRIS. Yes; they could manufacture fertilizer and ingredients of fertilizer to be used as fertilizer, but they could not go outside that.

Mr. McKELLAR. They could not go outside of fertilizer?

Mr. NORRIS. No. Mr. President, I do not have anything further to say.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS].

The amendment was agreed to.

Mr. BACHMAN. Mr. President, I am in receipt of a telegram in connection with this bill, which I desire to have

incorporated in the RECORD. I ask unanimous consent that that may be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegram is as follows:

CHATTANOOGA, TENN., May 2, 1933.

Senator NATHAN L. BACHMAN,

Senate Office Building:

With reference to Government's proposed building of Cove Creek-Muscle Shoals transmission line at estimated cost of \$6,000,000, please advise Senate that at hearing before Military Affairs Committee of House, April 14, Mr. Willkie, speaking for this company, stated that if the Government will furnish us the power at Muscle Shoals, we will deliver an equal amount at Cove Creek at reasonable cost to be fixed by the Government, or this company will sell Government all its requirements of power at Cove Creek for construction work. Based upon Government's estimates of power requirements, in our judgment, the total cost of power for entire construction of Cove Creek Dam furnished under either proposal will be less than 1 year's interest on cost of construction of proposed transmission line, and that building of transmission line in any event wholly useless and wasteful, as entire territory more than adequately served with existing transmission lines.

THE TENNESSEE ELECTRIC POWER CO.,

By JAMES A. LONGLEY, Vice President.

Mr. FESS. Mr. President, I will delay a vote on this bill only long enough to state very briefly why I cannot support it; and, if the debate shall then be over, we will be able to have a vote on the passage of the bill.

The question of Muscle Shoals is one that has been before the Senate and House for many years. The first speech that I heard made by the late distinguished and beloved Oscar Underwood, of Alabama, was in the House of Representatives, back in 1913, when he called the attention of the country to the valuable potential power possibilities at Muscle Shoals. When I made inquiry I was told by a colleague of mine, later the Speaker of the House of Representatives, Mr. Longworth, that Muscle Shoals was a hoary-headed subject and had been discussed in Congress for many years.

At that time Mr. Underwood asked for an appropriation of only \$10,000,000 for the development of the property. It is an old story that, the project having been defeated over and over again, it was finally brought up under the stress of the World War, when provision was made for the erection of a nitrate plant, the initial authorized appropriation for which was \$20,000,000. Later the appropriation was increased, and still later further additions were made to the appropriations, until now I do not know just how much the Government has already invested, if not sunk, in Muscle Shoals; but I do know that the initial cost of the Wilson Dam was \$47,000,000, of the steam plant \$12,000,000 more, and the nitrate plant and the development of facilities for procuring raw material, such as quarries, and so forth, involved an expenditure of \$68,000,000 more, not including \$9,000,000 in additions to the electrical plant. It is now proposed in the pending bill to construct Cove Creek Dam and to install an electric transmission line, the cost of which is generally estimated at about \$41,000,000. We have, Mr. President, an investment of at least \$127,000,000 already made; and it is now estimated by various authorities, including the Army engineers, that it will require an expenditure of at least \$100,000,000 more new money before the whole project shall be completed.

The argument is that, having invested so much, we must invest the remainder in order not to lose it all. I recognize the force of that argument; but it is the old story; when an undertaking is once entered upon, although it is of doubtful wisdom, it cannot be stopped. Nobody can tell just how far this charge on the Treasury will go. There are some limitations provided, but nobody can be certain. I need not go farther than to state that the authorization of the appropriation is indeterminate and without limit, except to carry out the proposals of the bill, which of themselves are quite indefinite. The language of the authorization is broad as language can make it:

All appropriations necessary to carry out the provisions of this act are hereby authorized.

The operating costs of the proposal will reach at least \$9,000,000 per annum, including interest on the investment

already made, to say nothing of what is proposed to spend in addition.

When we go over the details of the bill and see what is to be the charge upon the Treasury, we find that it is all indeterminate and that no living person can tell what will be the cost of the project to the Federal Government.

I want to do something with Muscle Shoals. I have been in favor of it from the beginning. I felt that if we ventured upon it we ought to make final and definite decision about it. There have been proposals that we should junk the whole thing, that the entire investment would be better lost than to go on and suffer losses which may result in an endeavor to develop it. I do not share that idea at all. I do not think there is any basis for it.

Another proposal was made to sell Muscle Shoals. Up to date we have found no buyer except Henry Ford, whose proposal was not satisfactory. The only thing left is for the Government to operate it as a Government project with all the eventualities that may flow from it, or else to lease it. I have always been in favor of the leasing plan. I followed former Senator Oscar Underwood in his efforts in this body to have that accomplished, but we failed. I would, of course, want to lease it under limitations so that the Government could at a definite time recapture it. But up to date we have not succeeded in leasing it. I would now very gladly vote in this very hour to turn it over to the States of Alabama and Tennessee to be used by those States for the benefit of the localities there and the people who live there, of course exempting the Federal Government from further expenditure in the matter, but turning over this "Jonah" to the people who are clamoring for it under Government management and letting them develop it as best they can, assuming all the risks. I think there is some sentiment in this body and the body at the other end of the Capitol for such a proposal, but not sufficient, it seems, to be effective.

Mr. President, I am opposed to the Government going into the power business as it is here proposed. I have voted, of course, under certain conditions for the Government to do a certain amount of development in the matter of power. I did it in connection with the Boulder Canyon project. Primarily I voted for the Boulder Canyon project on the basis of flood control, with a by-product in the nature of irrigation and the development of power, a power that could be leased by the Government, and I think probably that should be done. I would do that same thing in the case of Muscle Shoals.

Now comes the suggestion of flood control in connection with the new dam to be built. I would be willing to vote for an item of flood control which would include not more than about \$5,000,000 out of the \$41,000,000, but we here are using flood control as a basis upon which to bring the Federal Government into the further development of this great project.

Mr. President, I stated yesterday that I think we are operating on the wrong angle with reference to the emergency situation with which we are dealing. It is true that the Muscle Shoals project will employ a lot of labor, but in contrast with the normal employment in the normal processes of private business, this project as unemployment remedy becomes pitiable. There will not be a very large amount of labor employed. In the second place, if it is not reproductive, it will be a useless waste, which I am fearful is going to be the result.

We cannot hope to come out of the depression in which we must employ unemployed labor unless we make it possible for business in a normal way of productive industry to enter into the employment of labor. Here we are further embarrassing the channels of the employment of labor, which must be through private enterprise, by putting into competition with private employment an unfair competitor, the Government, with the power of monopoly that easily could drive out of existence its rival in the form of private enterprise. In the degree that we take away from the current of private investment in the employment of labor, by Government operation of what should be carried on by private enterprise,

just to that degree we not only reduce income to the Government in the form of taxes but we increase the charge on the Treasury and thus enlarge upon the deficit and increase the tax burden.

Mr. President, if we go over the authorizations for expenditures from the Treasury that we have made recently, especially in the last 2 months when we have been making an effort to balance the Budget, it simply bewilders us. It leaves us dizzy. We are constantly making new demands on the Treasury. Here in this bill is an indefinite one. No one knows how large it will be. In our recent legislation it will be \$500,000,000, in one bill another time it will be \$3,000,000,000, another time it is this authorization and then that authorization, until we have increased the public debt to such an extent that even the interest charge upon the increased public debt is going to be staggering.

We are doing it on the theory of those now in charge of affairs that the proper thing to do is to spend. That is the slogan now. It is no longer our business to save. Our business now is to spend, and we are told from the very highest authority that it is the business of the Government to spend, and thus start in circulation the money in the country. Under that aegis we have woefully enlarged the demands upon the Federal Treasury at the very moment that the most commanding demand upon us is to reduce expenditures so that we can be assured that the taxing burden is not going to prevent resumption of business. Let me assure my colleagues that there will be no resumption of business so long as that sword is held over the head of business. Every day we are making new demands that are further embarrassing the Treasury, and in turn the employment of labor, and we do it in the hope that through this spending orgy we are going to spend ourselves out of the depression.

Mr. President, I have issued this warning over and over again that there is no hope of getting out of the depression except by making it possible for business to resume and employ the unemployed. Every move we have made in recent days, instead of giving opportunity to business to take this course, we have been throwing more obstacles in the way, making demands for greater taxes which must come from business and at the same time reducing the ability of business to pay revenue. The deficit now facing us for 1934 will reach \$812,000,000. We cannot get on in that way. There will be a day of reckoning, and it will not be long deferred if we continue this program.

Of course, this bill is only one item, and it is not the most offensive item in the program. I admit that. However, there is an indeterminate amount of money demanded. While we ought to dispose of Muscle Shoals, now that we were induced to enter upon the project, it would be very much better for us not to undertake the expensive task to operate it as a Government proposition. We ought to lease it either to groups that will be able to operate it on terms satisfactory to the Government or else to turn it over to the States of Alabama and Tennessee.

For these reasons I shall vote against the proposal, as I do not want to commit myself to the policy of the Government of the United States further impinging upon the sources of revenue which must come from private enterprise.

Mr. LONG. Mr. President, I do not wonder that my good friend from Ohio [Mr. Fess] and others sometimes fall into the error into which the Senator clearly has fallen at this time. I understand the Senator from Ohio is in favor of the St. Lawrence waterway treaty, which would take \$600,000,000 or possibly more of the people's money and spend it to build a waterway for Canada. With that kind of an idea in mind, I do not see how the Senator or anyone else hesitate to vote to give a little something to the United States. But here my friend from Ohio and I are both living in the Mississippi Valley, and naturally I felt if there was any money outside of the Budget or within the Budget that was going to be spent it should be spent to develop the Mississippi Valley, the Ohio River, and the Mississippi River; but it seems that my friend from Ohio is in favor of taking all

of our money and spending it for the benefit of Canada and not doing anything for our fellow citizens here in the United States.

Mr. FESS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. Certainly.

Mr. FESS. The St. Lawrence waterway to which the Senator from Louisiana has referred will in time be a reproductive agency through which we will get returns, and it will certainly be a great outlet for the farmer who will ship his products from the port of entry and they will not be unloaded until they reach their destination in a foreign country. To me that is rather a convincing argument, although I am not at all overly enthusiastic about the St. Lawrence waterway.

Mr. LONG. Well, Mr. President, we are sinking our money in various projects, and a lot of it is going to be spent on the sapling program, contrary to what we thought was going to be done. I refer to the "sapling program," though I doubt very much whether there will ever be a sapling. I never expect to see a tree come from the program. I understand now there is a little effort being made to slow up the rivers and harbors program and the development of flood control and navigation and taking even that money and putting it into the tree-planting business. We see a picture of 8 or 10 men in a little square of ground about 6 feet wide planting saplings. If they were doing any work, they would have one man planting half an acre in a day. The money is to be taken away from flood control and from navigation and from rivers and harbors and from inland waterways generally and used in this kind of a way. We are going to suspend the work that we have had every right to expect to be carried on; and then, after they have left us subject to the waters of the North and from 32 or 34 States, and we look around, lo and behold, when they are telling us that we will have to stand the floods which are washing away our houses and washing away our homes and drowning our people and destroying our lands and taking everything from one end of the country to the other, they say they have not any money for that purpose, that the Budget is not balanced, and our friend from Illinois wants the Budget balanced; and lo and behold, we hear him say they are going to take \$600,000,000 to build a port for Montreal.

I never knew that there was such brotherly love in the Senate and in Congress; but we have to go across the international boundary line to find somebody upon whom to spend the brotherly love. We cannot talk about balancing the Budget except when it comes to the expenses of the American people. If it is food for the American people that is involved, we have to bear in mind the necessity of balancing the Budget. If it is clothes for the American people that are concerned, we have to bear in mind the necessity first of balancing the Budget. If it is a question of jobs for the soldiers who have gone to fight our wars, we must remember that it is necessary to balance the Budget; but if it is money for Canada, to build a port for Montreal, with \$600,000,000 to be spent, we are not worrying about balancing the Budget. So why hesitate on a thing of this kind? [Laughter.]

Mr. BANKHEAD. Mr. President, I desire to offer the amendment relative to transmission lines which was submitted a few days ago. I have made certain modifications in the amendment since it was printed. I send the modified amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The modified amendment will be stated.

The CHIEF CLERK. On page 11, beginning with line 14, it is proposed to strike out all of sections 10, 11, and 12 and to insert in lieu thereof the following:

Sec. 10. The board is hereby empowered and authorized to sell the surplus power not used in its operations and for operation of locks and other works to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth, and to carry out said authority the board is authorized to enter into contracts for such sale for a term not exceeding 20 years and in the sale of such current by the Board it shall give preference to States, counties, municipalities, or

cooperative organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to their own citizens or members: *Provided*, That all contracts made with private companies or individuals for the sale of power, which power is to be resold for a profit, shall contain a provision authorizing the board to cancel said contract upon 5 years' notice in writing, if the board needs said power to supply the demands of States, counties, or municipalities.

Sec. 11. It is hereby declared to be the policy of the Government, so far as practical, to transmit or sell all the surplus power generated by the authority at Muscle Shoals equitably among the States, counties, and municipalities within transmission distance.

Sec. 12. In event the Board is unable to make satisfactory contracts with persons, firms, or corporations engaged in the distribution and resale of electricity as in this act provided, or for the use or purchase of such transmission lines, it is hereby expressly authorized, either from appropriations made by Congress or from funds secured from the sale of such power or from proceeds from the sale of bonds as herein authorized, with the approval of the President, to construct, lease, or authorize the construction of transmission lines within transmission distance not to exceed 400 miles from the place where the power is generated, if, after investigation, the board shall find that such transmission lines are economically justified and necessary to carry out the purposes of this act. The finding of the board shall be conclusive and shall not be reviewed by any court: *Provided*, That the project herein provided for shall be considered primarily as for the benefit of the people of the section as a whole, and particularly the domestic and rural consumers, to whom the power can economically be made available, and accordingly that sale to and use by industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity: *Provided*, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members, or any two or more of such municipalities or organizations, shall construct or agree to construct a transmission line to the place of generation, or to the Government reservation on which is located a power-generating plant operated by the Authority, or to some place along or at the end of a transmission line, the board is hereby authorized to contract with such State, county, municipality, or other organization, or two or more of them, for the sale of electricity for a term not exceeding 30 years, and in any such case the board shall give to such State, county, municipality, or other organization ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority for such State, county, municipality, or other organization to contract with the board for such power: *Provided further*, That all contracts entered into between the authority and any municipality or other political subdivision or cooperative association shall provide that the electric power shall be sold and distributed to the ultimate consumer without discrimination as between consumers of the same class, and such contract shall be voidable at the election of the authority if a discriminatory rate, rebate, or other special concession is made or given to any consumer or user by the municipality or other political subdivision: *And provided further*, That as to any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the Authority shall sell the same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be sold to the ultimate consumer of such electric power at a price that shall not exceed an amount found to be reasonable, just, and fair by the Federal Power Commission, or its successor as a Federal regulatory body having similar jurisdiction; and in case of any such sale if an amount is charged the ultimate consumer which is in excess of the price so deemed to be just, reasonable, and fair by the Federal Power Commission, or its successor as aforesaid, the contract for such sale between the board and such distributor of electricity shall by the authority be voidable at the election of the authority.

On page 17, beginning with line 23, it is proposed to strike out section 18, and to insert in lieu thereof the following:

Sec. 18. The Secretary of War is hereby authorized, with appropriations hereafter to be made available by the Congress or from funds arising from the sale of bonds, to construct, either directly or by contract to the lowest responsible bidder or bidders, after due advertisement, a dam which has by long usage become known and designated as the Cove Creek Dam in and across the Clinch River in the State of Tennessee, together with a transmission line to Muscle Shoals interconnecting with any intermediate power plants: *Provided*, That such transmission line may be constructed only if the board is unable to make contracts satisfactory to the Authority with owners of privately owned lines for the transmission of power, or for the use or the purchase of transmission lines, and if, after investigation, the Board shall find that such transmission line is economically justified and necessary to carry out the purposes of this act. The findings of the board shall be conclusive and shall not be reviewed by any court. Such construction shall be according to the latest and most approved designs of the Chief of Engineers, including power house and hydroelectric installations and equipment for the generation of

electric power in order that the waters of the said Clinch River may be impounded and stored above said dam for the purpose of promoting navigation by increasing and regulating the flow of the Clinch River and the Tennessee River below, so that the maximum amount of primary power may be developed at Dam No. 2 and at any other dams below the said Cove Creek Dam.

Mr. BANKHEAD. Mr. President, the amendment as originally offered is a copy of the House bill on the subject. The difference between the two bills, in short, is that the pending bill, the Norris bill, authorizes the board, without consideration of any other subject, to build transmission lines, giving them absolute power to do so. The House bill, which is covered by this amendment, requires that before building such transmission lines the board shall endeavor to make contracts with existing utility companies to bring about satisfactory transmission of the power, and to procure the same contemplated benefits for the consumers.

Mr. President, while there is really no broad difference between the two plans, it seems to me that the provisions of the House bill are more in line with similar transactions that would be undertaken by individuals, and more consistent with orderly business procedure, and fairer to those now engaged in the same service. So far as I am concerned, I am unwilling to incorporate in the bill, and would not vote for, any amendment which deprives the board of the absolute power to make that decision. For that reason I have offered the amendment incorporating the provision of the House bill to meet the suggestion made by the Senator from Nebraska that if left in its original form the provision might result in litigation and delay.

While I did not agree with the Senator's conclusion that an injunction could be based upon the language of the original bill, because it seemed to me rather clear that an effort to make contracts and to decide that the project is economically feasible is purely an administrative duty, still, in order to avoid any possibility of delay on account of an effort by anyone to review the action of the board, I have offered the suggested amendment that the decision of the board shall be final and not subject to review by any court.

If even stronger language is desired, it will be entirely acceptable to me, because I am as anxious as the Senator from Nebraska that there should be no improper delay in this program. It comes down, then, as I see it, to a declaration of policy by Congress on the subject, not only to deal with the procedure during the immediate months ahead of us, but a declaration at least to guide the board that may hereafter be entrusted with the administration of this law.

It seems to me that the provision is a thoroughly sound one; and I understand it is really contemplated that the board will first undertake this very program, to make contracts, if possible, for the transmission of power without destroying by direct competition present investments and without the necessity of building competing lines, thereby involving a double burden of earnings upon invested capital.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Washington?

Mr. BANKHEAD. I do.

Mr. BONE. As I read section 12 of the Norris bill, it would seem clearly to cover the matter about which the Senator speaks.

Mr. BANKHEAD. I think there is very little difference in principle between the two bills.

Mr. BONE. Section 12 provides:

In order to place the board upon a fair basis for making such contracts and for receiving bids for the sale of such power, it is hereby expressly authorized, either from appropriations made by Congress or from funds secured from the sale of such power or from funds secured by the sale of bonds hereafter provided for, to construct, lease, or authorize the construction of transmission lines within transmission distance from the place where generated.

The language seems extremely broad. It probably is as broad as it is possible to make it; and I am wondering wherein the Senator finds the language insufficient to cover what he is discussing.

Mr. BANKHEAD. I do not find it insufficient; and I say that in principle, and really in operation by the board, there

is very little difference, except that the House provision provides, as included in the amendment I have offered here, that the board shall undertake to make such contracts before they are authorized to build transmission lines.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. BANKHEAD. Yes.

Mr. COPELAND. Is not this the difference: In the Norris bill provision is made really for holding a club over these private concerns, while in the amendment offered by the Senator from Alabama, before the board engages in building transmission lines, there is a definite declaration that first there shall be negotiations for private lines, to see whether or not they can be purchased.

It is that particular feature that commends the Senator's amendment to me. It is made clear under the law that there shall first be an opportunity for the private investors who have invested millions of money in transmission lines to dispose of their holdings. Then, as the Senator has well said, if there is a failure of these negotiations, under the Bankhead amendment the board is authorized to proceed to do the things which are more directly set out by the Norris proposal.

Mr. BANKHEAD. That is correct, sir. It simply requires an effort to be made to acquire the existing lines before building others. The language of the amendment, to which I call the Senator's attention is that "in event the board is unable to make satisfactory contracts", it is authorized to build whatever lines it deems necessary.

Mr. BONE. Mr. President, is not the matter the Senator suggests a mere distinction without a difference?

Mr. BANKHEAD. I will say to the Senator that it is in one sense; but in another and an important sense it is not entirely the same, because it clearly defines what I understand to be everybody's purpose and spirit about this program. It defines the policy on that subject for the guidance and instruction of the board, who have absolute power in the matter; the policy defined being that it is not intended, unless it is necessary, to proceed with the investment of additional capital and the construction of competing lines if the same results can be otherwise obtained.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BONE. I am sure the Senator realizes that when the Government goes into that section and builds a plant for the purpose of producing, transmitting, and selling power it is not going to meet with an enthusiastic welcome at the hands of the private power interests located there. I feel that the Senator will agree with me as to that.

Mr. BANKHEAD. I think there will not be any great enthusiasm about it; but I really believe that rather than have competing lines built they would enter into contracts.

Mr. BONE. Having in mind the fact that these power companies—the Alabama Power Co. and the Tennessee Electric Power Co.—are not going to enthusiastically welcome this public-ownership competitor, does the Senator feel that we ought to take from the hands of the proposed power authority the power to build a transmission line or acquire the use of the other at some reasonable rate?

Mr. BANKHEAD. I am not advocating any such plan. The Senator has just stated he could see no objection.

Mr. BONE. That is what I am just suggesting to the Senator; there is nothing in the Norris bill as it is drawn, with the amendment suggested by the Senator from Nebraska, which deprives the power authority of the right to either purchase or lease. Every single avenue for negotiation is open; and I am sure the Senator would not assume that the power authority under this measure would deliberately go in and build a transmission line when they might make some economical arrangement to transmit over a private company's line. That would be a piece of folly I am sure they would not be guilty of.

Mr. BANKHEAD. What is the objection to the amendment, then?

Mr. BONE. The objection is that I think that the matter is fully covered, and, further, because I would not in the remotest degree take from the hands of the power authority full power to do just exactly what the Senator from New York suggested—to use compulsion if it were necessary to secure a square deal.

I asked the Senator whether he thought it was necessary that the power authority be given the fullest power, because we know the private companies will certainly be stubborn. I would not want to strike from the power authority this right to deal at arm's length.

Mr. BANKHEAD. Mr. President, I am sure it is clear that no power is sought to be stricken from the power authority or the board. It is simply a declaration that contracts would be made, if they could be made, before proceeding to the building of competitive transmission lines. Whether they can be made or not is entirely, of course, with the board. It is a declaration that it is preferable to have them made if the board can make such contracts to their satisfaction. But the amendment which I have offered here absolves the board from any responsibility to anybody in the discharge of the duty and power which this amendment places upon them.

My thought is that this idea is entirely in line with the views which President Roosevelt has entertained on the subject, and while, of course, I am not referring to that in the sense that it binds anybody, I think it is appropriate to point out that this program as outlined in the amendment offered is in strict accord with the expressions heretofore made upon this subject by the President in the development of his views upon the subject of utility companies.

I now want to call attention to the power authority act of the State of New York, which was passed under the President's guidance and approval. I read section 5:

5. To develop, maintain, manage, and operate that part of the project owned or controlled by it in such manner as to give effect to the policy hereby declared (and all plans and acts, and all contracts for the use, sale, transmission, and distribution of the power generated by the project, shall be made in the light of, consistent with, and subject to this policy), namely, that the said project shall be in all respects for the aid, improvement, and benefit of commerce and navigation in, through, along, and past the St. Lawrence River and the International Rapids section thereof, and that in the development of hydroelectric power therefrom the said project shall be considered primarily as for the benefit of the people of the State as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly that sale to and use by industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity. In furtherance of this policy and to secure a wider distribution of the said power and use of the greatest value to the general public of the State, the power authority shall, in addition to other methods which it may find advantageous, make provision so that municipalities and other political subdivisions of the State now or hereafter authorized by law to engage in the distribution of electrical current may secure a reasonable share of the power generated at the project, and shall sell the same or cause the same to be sold to such municipalities and political subdivisions at prices representing cost of generation, plus capital and operating charges, plus a fair cost of transmission, all as determined by the trustees, and subject to conditions which shall assure the resale of such power to domestic and rural consumers at the lowest possible price. To that end the power authority may provide in any contract or contracts which it may make for the sale, transmission, and distribution of the said power that the purchaser, transmitter, or distributor shall construct, maintain, and operate, on such terms as the power authority may deem proper, such connecting lines as may be necessary for transmission of the power from main transmission lines to such municipalities or political subdivisions.

6. To negotiate in the manner hereinafter provided a contract or contracts for the sale, transmission, and distribution of the power generated under the project, which by the terms thereof will provide—

It sets out the provisions. Now I want to read briefly another section:

10. In the event that the power authority shall be unable to agree upon the terms of a contract or contracts in accordance with the provisions of subparagraph 6 of section 5 above, it shall report to the governor and legislature the circumstances and the reasons for such inability to agree. It shall also report a plan or plans for the disposal of the power through some other method or methods, which in its judgment will effectuate the policy and

purposes of this act, including the building of transmission lines, steam plants, and/or distributing systems by it, if it finds the same practicable, together with estimates of the cost of such additional facilities and the revenues to be derived therefrom. In the event of such inability to agree upon the terms of a contract or contracts as herein provided, or upon the governor's disapproval of the proposed contracts, none of the powers herein granted by section 5, subparagraph 7, to own, build, operate, and maintain dams, power houses, and other instrumentalities and things incidental to or connected with the development and sale of hydroelectric power shall be exercised until the legislature and the governor shall have approved the plan or plans reported by the power authority.

It will be observed that the amendment, like the House plan, follows very closely the power authority act of New York, but in fact goes a step farther. It does not require, as does the New York law, which was the child of President Roosevelt, that there shall be a report back to the legislature and to the governor for authority, as the New York law provides. The advanced step is taken in the House, following out the general lines of this plan, simply of requiring that efforts should be made to contract for the transmission of the power before building transmission lines, and that it should be found that the lines are practicable. Then, as provided in the New York act, if those things are not found by the power authority, they go back to the legislature for new power.

Mr. President, that is not required here, and I am glad it is not required. It is simply left to the board to make its efforts to find contracts and make contracts if it can do so for the transmission of the power on terms equally beneficial to the public and to the consumers. Failing in that, then the board, without coming back to Congress, is authorized to proceed with the construction of such transmission lines as it finds are economically feasible, and of course no one wants a line built that is not economically feasible. The decision of that question is left with the board, and it is provided in the amendment I have submitted that that decision is not subject to review by any court. It is simply a rule, I submit, for the guidance of the board which is to operate this great project over a long period of years.

Mr. President, I now want to read from the address of the President while he was Governor of New York to the governors' conference at French Lick. After discussing some of the court decisions on the subject and discussing the New York act, he said:

In other words, the new commission for the actual process of development has been appointed. We hope this new commission will be able, in order to prevent duplication of existing lines, to make a fair contract with existing utility companies, under which contract the utility companies will receive the actual cost of transmission, the actual cost of distribution, plus a reasonable profit on that transmission and distribution.

Now, if such a contract cannot be made, the State is not going to be left with 1,250,000 horsepower on its hands. We propose to take the next step. The next step will be to make an effort to find some other private agency which will be willing to transmit throughout the upper part of the State and to distribute to the people of that part of the State on the terms and principles laid down in the law itself. Failing in that, there is but one alternative, obviously, and that is for the State itself to undertake transmission and/or distribution.

On the question of where this power is going, it is expressly stated in the law that the primary use of the power shall not be for the large manufacturing companies which take bulk power, but must use the principle of distributing it to the homes, the farms, and the smaller businesses throughout the State. This can be done at rates certainly far more reasonable, far lower than are being paid by these individual householders at the present time, in part through the profit which will be made on the distribution of a certain proportion of that power to the larger manufacturing interests.

Also, we are taking one further step which has been taken by public service commissions in several States, and that is the principle of not penalizing a man because he happens to live a fairly long distance from a main transmission line.

I welcome most thoroughly that principle, because I represent all the people of my State, and I want those in the southern end to have the benefits, as well as those in the northern end. I read further:

The best example of that I know of is down in Alabama.

This is largely what attracted my attention to this statement:

The best example of that I know is down in Alabama. The Alabama Public Service Commission realized some 2 years ago, I think it was, that in northern Alabama they have all the power in the world at very cheap cost. They have plenty of coal and have plenty of water power, and the actual cost of transmitting and distributing that power to the rural dwellers in northern Alabama would be extremely low. On the other hand, in southern Alabama, down on the Gulf (I think a distance of something like 400 miles—Isn't that right, Dr. Hardman?)—there is no coal and there is no water power.

Therefore, the Alabama Public Service Commission laid down the rule that just because a man happened to have been born and brought up on a farm in southern Alabama was no reason for penalizing him greatly over his cousin or neighbor who happened to have been brought up in the northern part of the State, 400 miles away. The result is that the rates laid down for rural electrification in the State of Alabama provide substantially the same rate in the southern part of the State as in the northern part of the State. That is saying, in effect, that the farmer in northern Alabama is paying, frankly, a part of the cost of transmitting power 400 miles away for his fellow citizens of the same State. I believe that principle is being fairly well recognized today not only among Government agencies but also among the more intelligent and more progressive of the utility people.

I find in President Roosevelt's recent book entitled "Looking Forward" this declaration upon the subject now under consideration:

State-owned or Federal-owned power sites can and should promptly be developed by Government itself. When so developed, private capital should be given the first opportunity to transmit and distribute the power on the basis of the best service and the lowest rates to give a reasonable profit only.

That is the last declaration on this subject of which I know.

Mr. President, I ask permission to have published at the conclusion of my remarks the Power Authority Act of New York, from which I have quoted.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit A.)

Mr. BANKHEAD. Mr. President, I do not at present care to take any more of the time of the Senate. I believe that the House provision really expresses the attitude of everybody connected with this legislation and that the only controversy is whether that declaration of policy which we all, I think, believe to be the correct policy to pursue should be written into the law or left merely to the unbridled, undirected discretion of the board. We put no limitations on their power by this amendment. We simply lay down a policy which is in line with the declaration of the President, which is consistent with orderly procedure, as I have said, and which will not in any way hinder, delay, or prevent the beneficial results which we all anticipate under this bill when it shall have been enacted into law.

EXHIBIT A

CHAPTER 772

To declare the policy of the State of New York in respect to the use of the St. Lawrence River for the improvement and furtherance of commerce and navigation and the protection and development of the water-power resources thereof, and providing for the creation of "The Power Authority of the State of New York", to effectuate the same, and making an appropriation for the purposes of the act

(Effective Apr. 27, 1931)

The people of the State of New York, represented in senate and assembly, do enact as follows:

SECTION 1. That part of the St. Lawrence River within the boundaries of the State of New York is hereby declared to be a natural resource of the State for the use and development of commerce and navigation in the interest of the people of this State and of the United States, and for the creation and development of hydroelectric power in the interests of the people of this State, and such natural resources, including the bed and waters of the river as instrumentalities of commerce and navigation, and the bed, waters, power, and power sites in, upon, or adjacent to or within the watershed of the said river, owned or controlled by the people of the State, or which may hereafter be recovered by or come within their ownership, possession, and control, shall always remain inalienable to, and ownership, possession, and control thereof shall always be vested in, the people of the State.

SEC. 2. For the purpose of effectuating the policy declared in section 1 and of improving the St. Lawrence River as an instrumentality of commerce and navigation and developing the hydroelectric-power resources thereof, there is hereby created a corporate municipal instrumentality of the State to be known as "The Power Authority of the State of New York", hereinafter referred

to as the "power authority", which shall be a body corporate and politic, a political subdivision of the State, exercising governmental and public powers, perpetual in duration, capable of suing and being sued, and having a seal, and which shall have the powers and duties hereinafter enumerated, together with such others as may hereafter be conferred upon it by law.

SEC. 3. Such power authority shall consist of five trustees, who shall serve, respectively, for terms of 1, 2, 3, 4, and 5 years, to be appointed by the Governor, by and with the advice and consent of the senate. Each trustee shall hold office until his successor has been appointed and qualified. At the expiration of the term of each trustee and of each succeeding trustee the Governor shall, by and with the advice and consent of the senate, appoint a successor, who shall hold office for a term of 5 years, or until his successor has been appointed and qualified. In the event of a vacancy occurring in the office of a trustee by death, resignation, or otherwise, the Governor shall, by and with the advice and consent of the senate, appoint his successor, who shall hold office for the unexpired term. Three trustees shall constitute a quorum for the purpose of organizing the power authority and conducting the business thereof.

SEC. 4. The trustees shall choose from among their own number a chairman and vice chairman. They shall take over such part of the staff of the St. Lawrence Power Development Commission, organized under chapter 207 of the laws of 1930, as they deem necessary and convenient, and from time to time shall select such employees, including engineering, marketing, and legal skill, as they may require for the performance of their duties and shall prescribe the duties and compensation of each officer and employee. They shall adopt bylaws and rules and regulations suitable to the purposes of the act. As long as and to the extent that the power authority is dependent upon appropriations for the payment of its expenses, it shall incur no obligations for salary, office, or other expenses prior to the making of appropriations adequate to meet the same. It shall report annually to the Governor and the legislature upon its operations and transactions.

SEC. 5. Forthwith upon the appointment and organization of the trustees and subject to the conditions and limitations in this act contained, the power authority, in cooperation with the proper Canadian authorities and those of the United States as hereinafter directed, shall proceed with the improvement and development of the international rapids section of the St. Lawrence River (which is defined as that part of the said river from Ogdensburg to the point where it leaves the territory of this State) for the aid and benefit of commerce and navigation and for the development of the hydroelectric power inherent therein, generally in accordance with the report and plan submitted under date of January 15, 1931, by the majority of the St. Lawrence Power Development Commission, appointed under chapter 207 of the laws of 1930, and in accordance with the provisions of this act.

The power authority is authorized and directed:

1. To cooperate with the appropriate agencies and officials of the United States Government to the end that any project undertaken under the authority of this act shall be consistent with and in aid of the plans of the United States for the improvement of commerce and navigation along the St. Lawrence River, and shall be so planned and constructed as to be adaptable to the plans of the United States therefor, so that the necessary channels, locks, canals, and other navigational facilities may be constructed and installed by the United States in, through, and as part of the said project.

2. To negotiate with the appropriate Canadian authorities and agencies respecting the improvement and development of the International Rapids section of the St. Lawrence River for the aid and benefit of commerce and navigation and the development of hydroelectric power therefrom and to plan and agree with them upon cooperative action to that end including any shifting of international boundary lines between Canada and the United States and upon the use, control, and disposition of the facilities to be created and the hydroelectric power to be developed by the project. Such negotiations and agreements shall be conducted and concluded with due regard to the position of the United States in respect to international agreements, and any such agreements as may be reached with Canadian authorities or agencies may be submitted by the power authority to Congress for its approval, if it be advised that such approval is necessary or desirable.

3. To apply to the appropriate agencies and officials of the United States Government and/or of the Dominion of Canada or its Provinces, including the International Joint Commission, for such licenses, permits, or approval of its plans or projects as it may deem necessary or advisable: *Provided*, That neither the said power authority nor any trustee, officer, or agent thereof shall have any power to waive or surrender for any purpose whatsoever any right of the State of New York, whether sovereign or proprietary in character, in and to the St. Lawrence River, its waters, power, channel, bed, or uses, or the right of the said State to assert such rights at any future time: *And provided further*, That if for any reason the power authority shall fail to secure any such license, permit, or approval as it may deem necessary or advisable, or shall decide not to make application therefor, it is authorized to institute suit, or to apply to Congress for legislation, or take such other action in the premises as it may deem necessary or advisable, in the furtherance of the project and for the protection of its rights and those of the State.

4. To study the desirability and means of attracting industry to the State of New York consistent with and in effectuation of the policy declared in subparagraph 5 immediately following.

5. To develop, maintain, manage, and operate that part of the project owned or controlled by it in such manner as to give effect to the policy hereby declared (and all plans and acts, and all contracts for the use, sale, transmission, and distribution of the power generated by the project, shall be made in the light of, consistent with, and subject to this policy), namely, that the said project shall be in all respects for the aid, improvement, and benefit of commerce and navigation in, through, along, and past the St. Lawrence River and the International Rapids section thereof, and that in the development of hydroelectric power therefrom the said project shall be considered primarily as for the benefit of the people of the State as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly that sale to and use by industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity. In furtherance of this policy and to secure a wider distribution of the said power and use of the greatest value to the general public of the State, the power authority shall in addition to other methods which it may find advantageous make provision so that municipalities and other political subdivisions of the State now or hereafter authorized by law to engage in the distribution of electrical current may secure a reasonable share of the power generated at the project, and shall sell the same or cause the same to be sold to such municipalities and political subdivisions at prices representing cost of generation, plus capital and operating charges, plus a fair cost of transmission, all as determined by the trustees, and subject to conditions which shall assure the resale of such power to domestic and rural consumers at the lowest possible price. To that end the power authority may provide in any contract or contracts which it may make for the sale, transmission, and distribution of the said power that the purchaser, transmitter, or distributor shall construct, maintain, and operate, on such terms as the power authority may deem proper, such connecting lines as may be necessary for transmission of the power from main transmission lines to such municipalities or political subdivisions.

6. To negotiate in the manner hereinafter provided a contract or contracts for the sale, transmission, and distribution of the power generated under the project, which by the terms thereof will provide:

(a) Payment of all operating and maintenance expenses of the project.

(b) Interest on and amortization and reserve charges sufficient within 50 years of the date of issuance to retire the bonds of the power authority issued for the project.

(c) Continuous control and operation of the project by the power authority.

(d) The effectuation of the policy declared in subparagraph 5 above.

(e) Full and complete disclosure to the power authority of all factors of cost in the transmission and distribution of power, so that rates to consumers may be fixed initially in the contract and may be adjusted from time to time on the basis of true-cost data, provided that in fixing such cost of transmission and distribution no account shall be given to any franchise value, going value, or goodwill based upon the existence of the contract and the availability of the power for sale by the transmitting or distributing company or any company associated therewith.

(f) Periodic revisions of the service and rates to consumers on the basis of accurate cost data obtained by such accounting methods and systems as shall be approved by the trustees and in furtherance and effectuation of the policy declared in subparagraph 5 above.

(g) That the rates, services, and practices of the purchasing, transmitting, and/or distributing companies in respect to the power generated by this project shall be governed by the provisions and principles established in the contract and not by regulations of the public-service commission or by general principles of public service law regulating rates, services, and practices.

(h) The rate structures agreed upon in the said contract may provide different rates for different localities, classes of consumers, and amounts of current consumed, and for changes in the rates resulting from variation in operating costs and fixed charges.

(i) For the cancellation and termination of any such contract upon violation of the terms thereof by the purchasing, transmitting, or distributing company or any subsidiary or associate thereof.

(j) For such security for performance as the power authority may deem practicable and advisable, including provisions assuring the continuance of service by the purchasing, transmitting, and/or distributing companies, and/or the use of their facilities for such service and/or the continuance of an outlet and adequate market for the power generated under the project.

(k) Such other terms not inconsistent with the provisions and policy of this act as the power authority may deem advisable.

7. Upon the completion of the necessary contract or contracts as provided for in subparagraph 6 immediately preceding, to proceed with the physical construction of the project authorized by this act, including the erection of the necessary dams, power houses, and other facilities, instrumentalities and things necessary or convenient to that end, and including also the erection of transmission lines designed to conduct electricity to industrial and other users located at or near the site; and thereafter to maintain and operate the said project in accordance with the provisions and policy of this act. The power authority shall

follow the plan reported by the majority of the St. Lawrence Power Development Commission above mentioned, but it shall have power to make such changes in the engineering plans as shall be necessary for agreement with the proper Canadian and United States authorities, or as it may itself find desirable upon further study. The power authority is specifically authorized to undertake the construction of the said project in one or more steps as it may find economically desirable or advantageous, and as it may agree with the appropriate Canadian and United States authorities. Whenever in this act reference is made to the "project", it shall be understood to refer to such part of the entire project as may from time to time be in existence or immediately projected.

8. To exercise all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this act and, as incidental thereto, to own, lease, build, operate, maintain, and dispose of real and personal property of every kind and character, to acquire real property and any or every interest therein for its lawful purposes by purchase or by condemnation as herein-after provided, to borrow money and secure the same by bonds or liens upon revenue from any property or contracts held or to be held by it, to sell water or electric power, and generally to do any and every thing necessary or convenient to carry out the purposes of this act, provided that the power authority shall have no power at any time to pledge the credit of the State nor shall any of the obligations or securities be deemed to be obligations of the State nor shall the power authority have the power to lease or sell any dam or power house at the site.

9. Notwithstanding any limitations hereinbefore expressed, the power authority is authorized and directed forthwith or from time to time, as it shall deem advisable and within the limitations of the appropriations made available for it to initiate and prosecute all inquiries, investigations, surveys, and studies which it may deem necessary or desirable as preliminary to the effectuation of the other powers and duties conferred upon it by this act.

Sec. 6. The State of New York hereby consents to the occupation and use by the power authority of any and all property of the State of whatever kind or character within the International Rapids section of the St. Lawrence River and hereby vests the power authority with and delegates to it the right to exercise any and every right and power of the State in connection therewith, whether proprietary or sovereign in character, which the State itself might exercise, provided that such consent and delegation of power shall not permit the impairment or limit or prevent the future improvement of the navigability of the International Rapids section of the said river, consistent with the maintenance of this project, but on the contrary the project shall be such as will improve and benefit commerce and navigation therein and provided further that the power authority shall have no power to limit, waive, or surrender any right or interest of the State of New York in the said river or the use thereof. The State of New York does hereby pledge to and agree with those subscribing to the obligations to be issued by the power authority for the construction of such project, and with those parties who may enter into contracts with the power authority pursuant to the provisions in subparagraph six above, that the State will not limit or alter the rights hereby vested in the power authority until the said obligations together with the interest thereon are fully met and discharged and/or the said contracts are fully performed on the part of the power authority, provided that nothing herein contained shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of those advancing money on such obligations of the power authority or those entering into such contracts with the power authority. The power authority as agent for the State is authorized to include this pledge and undertaking for the State in such obligations or contracts.

Sec. 7. It is hereby found and declared that the project authorized by this act is for the aid and improvement of commerce and navigation, and that such aid and improvement of commerce and navigation and the development, sale, and distribution of hydro-electric power is in all respects for the benefit of the people of the State of New York, for the improvement of their health and welfare and material prosperity, and is a public purpose, and the power authority shall be regarded as performing a governmental function in undertaking the said project and in carrying out the provisions of this statute, and shall be required to pay no taxes or assessments upon any of the property acquired by it for this project or upon its activities in the operation and maintenance thereof. The securities and other obligations issued by the power authority, their transfer and the income therefrom, shall at all times be free from taxation within this State. It is furthermore declared that the object and purpose of this statute is that the said project should be in all respects self-supporting.

Sec. 8. No bonds or other obligations of the power authority shall be issued until firm contracts for the sale of power shall have been made by it sufficient to insure payment of all operating and maintenance expenses of the project, and interest on, and amortization and reserve charges sufficient to retire, the bonds of the power authority issued for the project in not more than 50 years from the date of issue thereof.

Sec. 9. Contracts negotiated by the power authority as provided in subparagraph 6 of section 5 of this act shall be entered into and executed as follows:

1. After agreement upon the terms of any such contracts shall have been reached by the power authority and its co-party or co-parties, the power authority shall hold a public hearing or hearings upon the terms thereof. At least 30 days' notice of such hearing shall be given by publication once in each week during

such period in each of six newspapers within the State to be selected by the power authority. Copies of the proposed contracts shall be available for public inspection during such period of 30 days at the office or offices of the power authority and at such other places throughout the State as it may designate.

2. Following such public hearing the power authority shall reconsider the terms of the proposed contract or contracts and shall negotiate such changes and modifications in the contract or contracts as it then deems necessary or advisable.

3. When such contract or contracts are finally agreed upon in terms satisfactory to the power authority and its co-party or co-parties, and which the power authority believes to be in the public interest, the power authority shall thereupon report the proposed contract or contracts, together with its recommendations and the record of the public hearings thereon to the Governor of the State, who shall within 60 days thereafter indicate his approval or disapproval thereof and give his reasons therefor. For the purpose of supplementary investigation of such contract by the Governor, \$25,000 is hereby appropriated, out of any moneys in the State treasury not otherwise appropriated, to be expended by him for such investigation and the retention of such expert assistance thereof as he may desire. The said \$25,000 so appropriated shall be paid out of the State treasury on the audit and warrant of the comptroller upon vouchers signed by the Governor.

4. If the Governor shall approve such contract, then the same shall be executed by the chairman and secretary of the power authority, and it shall thereupon come into full force and effect and be binding upon the power authority and all other parties thereto in accordance with its terms.

Sec. 10. In the event that the power authority shall be unable to agree upon the terms of a contract or contracts in accordance with the provisions of subparagraph 6 of section 5, it shall report to the Governor and legislature the circumstances and the reasons for such inability to agree. It shall also report a plan or plans for the disposal of the power through some other method or methods which in its judgment will effectuate the policy and purposes of this act, including the building of transmission lines, steam plants, and/or distributing systems by it, if it finds the same practicable, together with estimates of the cost of such additional facilities and the revenues to be derived therefrom. In the event of such inability to agree upon the terms of a contract or contracts as herein provided, or upon the Governor's disapproval of the proposed contracts, none of the powers herein granted by section 5, subparagraph 7, to own, build, operate, and maintain dams, power houses, and other instrumentalities and things incidental to or connected with the development and sale of hydro-electric power shall be exercised until the legislature and the Governor shall have approved the plan or plans reported by the power authority.

Sec. 11. For the purpose of exercising its powers and performing its duties hereunder and of securing such information as it may deem necessary hereunder, the power authority shall have the power to compel the attendance of witnesses and the production of documents in the manner provided for in the Civil Practice Act for the subpoenaing of witnesses and production of documents before a referee or special master, and if a person subpoenaed to attend before it shall fail to obey the command of such subpoena without reasonable cause, or refuse to be sworn or examined, or to answer a pertinent question or produce a pertinent book or paper, the power authority may apply to the supreme court or any judge thereof for an order requiring such person to show cause why he should not comply with the subpoena or direction of the power authority. The court, or a justice before whom such order shall be returnable shall examine such person, determine whether or not the testimony or evidence is relevant or pertinent, and if it be so determined, shall order such person to comply accordingly forthwith, and in the event of refusal may commit the offender to jail, there to remain until he submits to the order of the court or such justice, or is discharged according to law. The power hereby conferred from the power authority may be exercised by any one or more of the trustees if he or they are authorized so to act on behalf of the power authority by resolution or by law.

Sec. 12. If, for any of the purposes hereunder, including temporary construction purposes and the making of additions or improvements, the power authority shall find it necessary or convenient for it to acquire any real property as herein defined, whether for immediate or future use, then the power authority may find and determine that such property is required for a public use, and upon such due determination, the said property shall be and shall be deemed to be required for such public use until otherwise determined by the power authority and with the exceptions hereinafter specifically noted the said determination of fact shall not be affected by the fact that such property has theretofore been taken for, or is then devoted to, a public use; but the public use in the hands or under the control of the power authority shall be deemed superior to the public use in the hands of any other person, association, or corporation. If the power authority is unable to agree for the acquirement of any such property, or if the owner thereof shall be incapable of disposing of the same, or if, after diligent search and inquiry, the name and residence of any such owner cannot be ascertained, or if any such property has been acquired or attempted to be acquired and title or other rights therein have been found to be invalid or defective, the power authority may acquire such property by condemnation under and pursuant to the provisions of this act.

1. When any real property within this State is sought to be acquired by condemnation, the power authority shall cause a survey and map to be made thereof, and shall cause such survey

and map to be filed in its office. There shall be annexed to such survey and map a certificate executed by the chief engineer of the power authority, or by such other officer or employee as may be designated by the trustees, stating that the property or interest therein described in such survey and map are necessary for its purposes.

2. Upon filing such survey and map the power authority shall petition a special term of the supreme court held in the judicial district in which the property is located, or the county court of any county where such property is located, for the condemnation of such property or interest therein, as have not been otherwise acquired. The said petition shall be generally in the form prescribed by section 4 of the condemnation law, so far as consistent herewith. Such petition, together with a notice of pendency of the proceeding, shall be filed in the office of the county clerk of the said county and shall be indexed and recorded as provided by law. A copy of the said petition together with a notice of the presentation thereof to such special term of the supreme court or to the county court shall be served upon the owners as provided in sections 5 and 6 of the condemnation law. The power authority may cause a duplicate original affidavit of the service thereof to be recorded in the books used for recording deeds in the office of the county clerk of the county wherein the said property described in such notice is situated, and the recording of such affidavit shall be prima-facie evidence of due service thereof.

3. At any time after the recording of the petition and notice as above provided the power authority may enter upon and use and occupy all the parcels of real estate described in the proceedings for the condemnation thereof, provided that it shall first deposit with the court a sum equal to the assessed valuation of such real property, or in the event that the assessed valuation thereof cannot readily be ascertained, such sum as in its judgment shall be sufficient as compensation for the real property acquired. The sum so deposited shall be applied as provided in section 24 of the condemnation law. Upon the recording of the petition and notice and the making of the deposit, the owner or person in possession of such real property shall deliver possession thereof to the power authority upon demand, and in case possession is not delivered when demanded, or demand is not convenient because of absence of the owner or inability to locate or determine the owner, the power authority may apply to the court without notice for an order requiring the sheriff to put it into possession of such real property. Such an order must be executed as if it were an execution for the delivery of the possession of the property.

4. The proceedings thereafter shall be in the manner prescribed by the condemnation law so far as consistent herewith.

5. The commissioners appointed to ascertain and determine the compensation which ought justly to be made to the owners of property or interests therein appraised by them as provided in section 13 of the condemnation law shall make their report of the value thereof to the supreme court within 100 days from the date of their qualification.

6. The persons or corporations whose property shall have been taken by condemnation and who shall have agreed upon the compensation to be paid therefor in settlement of the proceeding, or to whom an award of compensation shall have been made by the court, shall be entitled to payment of the agreed or awarded compensation within 3 calendar months after the date of the agreement upon the amount of the compensation or of the entry of the order confirming the report of the commissioners of appraisal, together with interest upon the amount of such compensation from the time of the entry and appropriation thereof by the power authority, to the date of payment of such compensation; but such interest shall cease upon the service by the power authority, upon the person or corporation entitled thereto, of a 15 days' notice that the power authority is ready and willing to pay the amount of such compensation upon the presentation of proper proofs and vouchers. Such notice shall be served personally or by registered mail and publication thereof at least once a week for 3 successive weeks in a daily newspaper, having a general circulation in the county where such property or any part thereof is located.

7. The power authority may, at its option, acquire such real property within the State of New York, under the general condemnation law.

8. The power authority and its duly authorized agents and employees may enter upon any real property for the purpose of making the surveys or maps mentioned in this section, or for such other surveys or examinations of real property as may be necessary or convenient for the purposes of this act.

9. The term "real property" as used in this act is defined to include lands, structures, franchises, and interests in land, including lands under water and riparian rights, and any and all other things and rights usually included within the said term, and includes also any and all interests in such property less than full title, such as easements, rights of way, uses, leases, licenses, and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages, or otherwise, and also all claims for damages for such real estate.

Sec. 13. Forthwith upon their organization the trustees shall receive and take over the furniture, fixtures, books, maps, plans, records, reports, and other papers and property of whatsoever kind pertaining or belonging to or in the custody of the members of the St. Lawrence Power Development Commission, appointed under and pursuant to chapter 207 of the laws of New York for 1930, or in their possession or under their control as such commissioners, or held by them or for which they are re-

sponsible in their official capacity, together with such members of their administrative, engineering, marketing, and legal staffs as the trustees shall deem necessary or convenient for them to carry out and perform their duties. They shall take up, study, and consider the majority report of the said St. Lawrence Power Development Commission and more especially the policies and recommendations therein contained. Immediately upon the organization of the power authority after appointment and qualification of a quorum of the trustees thereof, and upon completing the transfer above prescribed, the members of the St. Lawrence Power Development Commission shall be discharged from the performance of all further duties; except that the chairman or in his absence the vice chairman shall be authorized to sign all vouchers for payment of obligations theretofore incurred until all such obligations are paid.

Sec. 14. The trustees shall receive no salary, but each trustee shall be paid his reasonable expenses in the performance of his duties hereunder, together with a per-diem allowance of \$100 when traveling or rendering services as trustee, provided that the aggregate of such per-diem allowance to any one trustee in any one year shall not exceed the sum of \$10,000.

Sec. 15. Three hundred thousand dollars is hereby appropriated out of any moneys in the State treasury not otherwise appropriated for the expenses of the power authority. The said sum so appropriated shall be paid out of the State treasury on the warrant of the comptroller upon vouchers signed by the chairman of the said power authority.

Sec. 16. All appropriations made by the State to the power authority shall be treated as advances by the State to the said power authority, and shall be repaid to it without interest either out of the proceeds of securities, or other obligations issued by the power authority for the construction of the project pursuant to the provisions of this act, or out of excess revenues from such project.

Sec. 17. If any term or provision of this act shall be declared unconstitutional or ineffective in whole or in part by a court of competent jurisdiction, then to the extent that it is not unconstitutional or ineffective such term or provisions shall be enforced and effectuated, nor shall such determination be deemed to invalidate the remaining terms or provisions hereof.

Sec. 18. The rates, services, and practices relating to the generation, transmission, distribution and sale of power to be generated from the project authorized by this act shall not be subject to the provisions of the public service law nor to regulation by, nor the jurisdiction of the department of public service, but shall be regulated and determined under the provisions of the contracts entered into by the power authority as provided in subparagraph 6 of section 5 of this act. The provisions of the public service law and of the conservation law and every other law relating to the department of public service or the public service commission or to the conservation department or commission or to the functions, powers or duties assigned to the division of water power and control by chapter 619, of the laws of 1926, shall, so far as is necessary to make this act effective in accordance with its terms and purposes be deemed to be superseded, and wherever any provision of law shall be found in conflict with the provisions of this act or inconsistent with the purposes thereof, it shall be deemed to be superseded, modified or repealed as the case may require. Sections 6, 7, 8, and 9 of chapter 207 of the laws of 1930 are hereby repealed.

Sec. 19. This act shall take effect immediately.

(Taken from book containing General Laws of New York, 1931.)

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Alabama [Mr. BANKHEAD].

Mr. NORRIS. Mr. President, I almost feel like apologizing for taking any further time of the Senate, because the pending question was fully discussed yesterday. However, the amendment proposed by the Senator from Alabama, if agreed to, will seriously and very materially interfere with the board in carrying out the provisions of this measure.

The Senator himself has stated that all the authority they need is already contained in the bill. Then why in the name of common sense put a whole lot of provisions in and attach conditions with which the board must comply before they have a right to build a transmission line?

The Senator has stated that his amendment, as now modified to meet the objection I made to it yesterday, will leave the findings of the board final; and he says on that account they will not get into court, that there will be no danger of an injunction, but, Mr. President, every Senator knows that one cannot keep a man from going into court by enacting a statute which provides that he cannot go into court. The very first objection raised will be a constitutional one. If we require the board to get on their knees to the Power Trust before they may build a transmission line, it will be alleged—and they will make a good case on paper—that the board is taking property without due process of law, and that is forbidden by a provision in the

Constitution of the United States. They can go to the Supreme Court of the United States; probably they will be defeated there; but suppose the board wanted to build a transmission line connecting 2 generating plants of the Government, 1 at Muscle Shoals and 1 at Cove Creek, is there any man who does not believe that the Government, owning those 2 generating plants, should not connect them by a transmission line? If the amendment should be agreed to, they could not do it unless they should go to the Power Trust and negotiate. Their hands would be tied by an act of Congress, while the hands of the Power Trust, with whom they would be dealing, would not be tied. Why not leave the board also free?

The Senator from Alabama has devoted a good deal of time to the Power Authority Act of New York, but any man who is familiar with that act and knows what has been done under it and knows the commission Roosevelt appointed under that law knows that the law was a compromise; that Roosevelt could not get what he wanted of the New York Legislature; it was controlled by the Power Trust to some extent; and he had to take what he could get.

I am not claiming and I do not want to claim and would not claim it if I knew it were true that Roosevelt is for the dotting of this "i" or the crossing of that "t". I am not trying to travel on anybody's coat tails; and when the Senator from Alabama is trying to get the Senate to vote an amendment in the bill because somebody has said it is Roosevelt's amendment, I say now, on my word of honor, here in the presence of the Senate, that if the Senator from Alabama can bring a statement from Roosevelt that—

Mr. BANKHEAD. I did not make the statement the Senator suggests.

Mr. NORRIS. I know the Senator did not, but he left the impression that it was Roosevelt's amendment.

Mr. BANKHEAD. No; I did not.

Mr. NORRIS. Let me finish. If the Senator from Alabama or anybody else can bring a statement from Roosevelt that he favors that amendment to this bill, I will promise to wire my resignation as a Member of the Senate to the Governor of my State within 10 minutes after it is produced. I am not claiming or trying to travel on the theory that I am doing just as the President wants, although I think I am. I would do what I thought it was my duty to do if he were going the other way; I am not boasting of that; but when it comes to the making of contracts with one of the greatest trusts that have ever been organized by mortal hands, I do not want to tie the hands of our agents so that they cannot connect Government property even with a line that the Government owns until they get down on their bended knees and secure permission from this trust, which has robbed more widows and orphans and other American citizens than any other trust which was ever formed in the history of the civilized world. Shall we go to them with our hands tied and manacled and ask, "Will you let us build a transmission line?" and when they reply "We will do it on this condition and that condition", and we say, "We cannot stand that; we are going to build it anyway", have them go into court?

The Supreme Court probably will finally decide against them under the Senator's amendment; I concede that; but Cove Creek Dam has been built during the intervening years, and we have paid several million dollars to the Power Trust for power with which to build that dam, when we have the power going to waste every minute right at Muscle Shoals. All we have to do is to build a transmission line to connect it and get that power for nothing.

Mr. NORRIS subsequently said: Mr. President, I ask unanimous consent that at the conclusion of my remarks on the last amendment offered by the Senator from Alabama there may be inserted in the RECORD the testimony on the bill given by the Senator from Washington [Mr. BONE] before the Committee on Military Affairs of the House of Representatives.

The VICE PRESIDENT. Is there objection?

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. HOMER T. BONE, A UNITED STATES SENATOR FROM THE STATE OF WASHINGTON

Senator BONE. Mr. Chairman and gentlemen of the committee, I did not come down here this morning for the purpose of making a general statement. It had occurred to me that some of the gentlemen of your committee might desire to ask me some questions about the experience of my own city of Tacoma in the power business, because I understand that some allusion was made to Tacoma yesterday by private-power representatives. Having lived out there for over a third of a century, and having been very active in connection with building and developing our big municipal power system, as well as public power systems of the State, I thought I might with some advantage to your committee address myself to some of those questions.

The CHAIRMAN. What have been your contacts, please, Senator, with the public-utility enterprise of the city of Tacoma, and your opportunities for knowing?

Senator BONE. I have practiced law there for a quarter of a century, and have participated in all the campaigns that led to the creation of most of our present power system. I have represented communities in power inquiries, and have organized a number of mutual power companies in my State, among farmers that handled distribution problems. The last connection I had actively with the legal side of this question was representing the city of Centralia in the development of its municipal power system.

I have made some study of the legal and political aspects of the power question, and also some inquiry into the mechanical and physical aspects of it. In fact, I had to know something of that in order to participate in these campaigns.

The CHAIRMAN. It has been suggested here that there was a serious break-down at a certain time in the service rendered by the Tacoma municipally owned public utilities, and the suggestion, at least, was made that that fact is some argument against the municipal ownership of public utilities.

Senator BONE. Mr. Chairman, may I ask you a question? Was the suggestion made that that was attributable to municipal ownership, or was the intimation made that it was?

The CHAIRMAN. The intimation was at least this—I may not have caught it all—that a municipal utility is of necessity a unit operation, and since it is a unit, a derangement of the source of power for a unit would mean a complete derangement for the city affected.

Mr. MONTET. In all fairness, Mr. Chairman, I think the facts were stated, and I do not think there was any argument made about it.

The CHAIRMAN. I beg the gentleman's pardon, but I thought there were certain suggestions offered as a deduction from the facts. I say that in order that the Senator may understand the issue made.

Mr. MONTET. The Tacoma situation was first brought in by Mr. HILL as an example—I do not remember what.

The CHAIRMAN. It is irrelevant who brought it in, I think. That is entirely irrelevant. We will proceed.

Senator BONE. Perhaps I can give the answer.

In the winter of 1929 the Pacific coast suffered the greatest drought in its history. It was without parallel. The wells in that country that had never been dry within the memory of man, went dry. The water table lowered very materially on the entire Pacific coast. Streams went dry that had never been dry within the history of the Weather Bureau or Government authorities. The rainfall in that section was so low as to be without parallel. It went for months. Vast forest fires raged in the mountains in Washington and Oregon in the middle of the winter—a thing also without parallel in the history of this country; a phenomenon that was startling, to say the least. As a result all the hydroelectric power systems in the West, including those of the private companies, suffered a tremendous slump in power output.

The city of Tacoma, contrary to the idea that some folks have, is connected with the power system of the city of Seattle, and will subsequently be connected with the power system of the city of Centralia, in a big superpower system, publicly owned, in western Washington, and will ultimately have a pool of power of anywhere from a million and a half to two million horsepower, which is more, probably, than at present is developed by all the private power systems in that State.

Current is floated on the line now between the cities of Seattle and Tacoma in an intertie system, so that Tacoma in a pinch can draw on the Skagit plant, which is 100 miles north of Seattle, and Seattle can draw on Tacoma's Cushman and Nisqually hydro developments miles away, one of them 50 miles by airline, in the mountains. It constitutes a superpower system, quite as efficient, quite as effective, and in some respects, in my judgment, superior to that created by the private power companies in that section. It was built by capable engineers, and I have never heard a challenge against the efficiency of Tacoma's hydro system. It is said by competent engineers to be one of the finest in the world.

Prior to this water shortage and during the early period of it the city of Tacoma had a tie-in with a private company serving that section, called the Puget Sound Power & Light Co. We had been giving that company a considerable amount of current, more current than we had been getting from them, and while this drought was becoming worse and worse we were uti-

lizing the water stored in our great Cushman basin in the Olympic Mountains, translating it into power, and sending it over our wires to this private power company, which was employing it to carry part of its load. But when this crisis came on, the Puget Sound Power & Light Co.—I want to write that name into the record, so that there will be no question about it—was finding itself hampered by this power shortage.

It was compelled then to build a big steam plant at Shelton in order to meet future contingencies of this kind, but it was unprepared to meet this situation. It was compelled to call on its customers to shift their power loads to keep its system from breaking down. It tied on great steam plants operated by private mills—for example, the Snoqualmie mills in Washington, operated by the Weyerhaeuser Timber Co., which gave it a substantial amount of current. It was compelled to, and did, tie on the power-generating equipment of a large number of sawmills in the State of Washington, at Everett and other places, and then when it became apparent that even that aid would not be sufficient to handle its load we found that it was drawing on another source of power which the public did not know it possessed.

Tacoma in the meantime had been aiding Seattle, and had been aiding this private power company, which was also importing power from eastern Washington. We asked—we were not compelled to, but did ask—for the use of the *Lexington*, which, as this committee knows, has tremendously powerful generating equipment on board. By cutting off approximately 9 percent of our power load, which would have meant merely the shifting of 1 or 2 big business enterprises in Tacoma, we could have ridden through that water shortage very nicely, but we did not want to cut off one single customer in Tacoma.

So we asked the Government to send the *Lexington* there for a little while to carry a small fraction of the load; about 3,000,000 kilowatt-hours, I think, was all they gave us; and she was there for 30 days. That permitted the somewhat limited supply of water in the Skykomish River to flood into the Cushman Basin and raise the volume of water in that basin a little so as to give us a greater margin of safety.

At that time the private power companies of the country sent broadcasts all over the country—including spokesmen who assume to speak generally for the power companies whose representatives testified here yesterday—that the city of Tacoma had been compelled to call on a Government agency to prevent a break-down. But the peculiar thing was that at that very moment the Puget Sound Power & Light Co. had a quiet, not known tie-in with the Government steam plant in the Bremerton Navy Yard at Bremerton, Wash., a large Government-owned steam plant that was pouring thousands of horsepower of energy into its broken-down system. It was using that agency of the Navy, which was exactly the same as using a battleship, to carry its power system, and it was not letting anybody know about it; and when we asked about it we could get no information about it.

I wired Senator DILL and asked how it was that the Puget Sound Power & Light Co. could use the Navy, while such a rumpus was being raised about Tacoma's utilizing another agency or another arm of the Navy. And in that inquiry I had occasion to look up the records of that company, and I found that the then Secretary of the Navy, Mr. Charles Francis Adams, was a director in every Stone & Webster power organization in this country, and the Puget Sound Power & Light Co. was a Stone & Webster power company; that Mr. Charles Francis Adams, the then Secretary of the Navy, was a director in that company and in the Old Colony Trust Co., fiscal agent of the company.

After I raised a question about it, we found that Mr. Adams had severed his connection with that company, but before doing that he had arranged for a company in which he was interested to carry on with the aid of the Navy. That fact was not made known to your committee, was it?

The CHAIRMAN. No; this is the first time I have ever heard it. I do not know whether any other member of the committee heard it or not, but I had not heard of it.

Mr. MAY. Do you mean his navy or our Navy? [Laughter.]

Senator BONE. I do not wish to use the possessive case. If I did, it was an inadvertence. But, nevertheless, the Secretary of the Navy had a monetary interest in the company that the Navy was serving in this crisis, and that fact was apparently very carefully concealed from the country.

Let me elaborate that statement a little further. By reason of and during this water shortage the Puget Sound Power & Light Co., a private company, up to a few years ago enjoying almost a practical monopoly in western Washington, was compelled to buy \$900,000 worth of current outside, thereby very seriously curtailing its ability to continue dividends on its stock issues; and that year the Engineers Public Service Co. made a report that the company did spend that much in power purchases outside.

At that same time the private power company operating in Vancouver, British Columbia, a large city to the north of Tacoma, was so badly affected by the water shortage, it apparently lacking a steam stand-by plant, that the streets of that large city were darkened to save current; the street-car service was curtailed; interurban cars were pulled by steam locomotives; extra policemen were put on by the city of Vancouver to patrol its darkened streets; patrons of the company were urged to curtail domestic service, loads were shifted, and heating units were cut off; and it finally became so bad that a prominent official of that company in Vancouver issued this statement:

"Each day makes the situation more serious. The time has arrived when, in the public interest, we must request the cooperation of citizens toward conserving our power supply."

The Puget Sound Power & Light Co. issued a statement requesting its customers to shift their loads at various hours during the day so as to conserve its supply.

The CHAIRMAN. To stagger their loads?

Senator BONE. To stagger their loads. And had that water shortage continued very much longer, even the United States Government, with its big steam plant at the Bremerton Navy Yard, probably could not have saved Stone & Webster during this crisis, because this company was madly tying on every mill it could get in northwestern Washington.

That is a picture of what occurred out there, from the records. I have such a volume of records here that I would not burden the committee with further citations.

Tacoma now has developed and available for immediate use 202,000 horsepower of energy, with a maximum demand, I think, most of the time, of around 90,000 horsepower. The city has about half a million horsepower of hydroelectric energy available in sites filed on and open to develop. The city of Seattle is now developing a hydroelectric project on the Skagit River that will ultimately be able to deliver a million horsepower. That is aside from the 50,000-horsepower steam plant—50,000-kilowatt steam plant, I believe—owned by the city of Seattle, a 32,000-horsepower hydroelectric plant on the Cedar River. And Centralia, a small city to the south of Tacoma, has a small but efficient hydro plant of 7,500 horsepower ultimate development.

That will give the committee some idea of the power set-up in those three cities that lie within a few miles of one another.

The CHAIRMAN. What do you mean by "within a few miles of one another"?

Senator BONE. Seattle is 30 miles north of Tacoma—28 by air-line. Centralia is about 50 miles south of Tacoma. Centralia's power plant is on the Nisqually River a few miles below Tacoma's Nisqually power plant; and those plants are all going to be tied together, which will give them the ultimate opportunity of serving all western Washington with feeder lines.

Around the city of Tacoma, a few years ago, were created a number of farmer companies, organized by farmers to serve themselves with power, and they have given to this country what I believe is a very complete demonstration of the ability of the farmer not only to create a power system but to effectually serve himself with very cheap power. I think there are some 10 or 12 of those companies operating. I organized one at Gig Harbor in 1925 that has a thousand farm homes tied on.

Mr. COCHRAN. Senator, could you give us any idea of the cost to the farmers in those mutual companies?

Senator BONE. Yes; I am going to tell you that now.

These are corporate organizations of a mutual and cooperative character. They issue no stock. They give the farmer-member a membership certificate, for which he pays \$75 or \$100. That goes into a common fund out of which the system is built. Out of revenues they maintain the system in operating efficiency. They buy their power from the city of Tacoma, and they tap our power lines anywhere they can find them, in the city limits or out in the country. The city sells them power at the wholesale power rate, which begins at 2 cents per kilowatt-hour and drops down to 3 mills per kilowatt-hour. That is the lowest rate made by the city of Tacoma to anyone.

Mr. MAY. Three mills?

Senator BONE. Three mills.

The average rate the city was charging this company I mentioned, at a place called Gig Harbor—the Peninsula Light Co.—has run about 7 mills per kilowatt-hour. That current is distributed from their little granger line to their members, and they split the cost among themselves. It is a purely cooperative activity. Some of those little companies serve their members as far as 50 or 60 miles from Tacoma, out in the mountain regions, in the "sticks", and I have in mind one company, the Elmhurst Mutual, which makes this rate to its farmer-members—and you can contrast this with the rural rate of the Alabama Power Co. The little company in question makes this rate: 5 cents per kilowatt-hour for the first 20 kilowatt-hours and then 1 cent per kilowatt-hour for all additional consumption.

One farmer out there, Captain Waldwick, had the largest chicken ranch in America. He used in 1 month 13,000 kilowatt-hours of current. That cost him \$130.80. I suggest to members of this committee that they get the Alabama Power Co.'s lowest schedule and find out what a farmer or a little business man would pay for 13,000 kilowatt-hours of current, and then contrast it with that price—\$130.80 for 13,000 kilowatt-hours.

That charge on a competing private line in the State of Washington at the time this service was rendered would have cost the farmer over \$600. The difference between \$600 and \$130.80 is about \$469; and it cost Captain Waldwick \$75 to join that company. So he saved in 1 month on the operation of his chicken ranch several times what it cost him to become a member of that company.

The result has been that the city of Tacoma has made it possible, by this generous attitude toward these farmers, for them to belong to little distribution systems all through Pierce County, and 3,000 little farm homes are now enjoying city power. Of course, the power companies did not like it, proclaiming it to be bolshevism and un-Americanism. Of course, I can understand that. But it was very profitable for the farmer who was raising

chickens out there, and he regarded it as a perfectly legitimate example of self-help. It was exactly in line with advice being given him by the Government.

When these companies were started—and I think Mr. Murray will verify that; he has practiced law for a quarter of a century at Tacoma, and he was general counsel of my city for years while much of this was being done—these little farmer lines, when they were first built, were built by farmers who knew little or nothing about this business, and they joined and put up their little pole lines and got franchises from the county. Engineers were called in who gave them some help. A lot of these lines were built for about \$600 per mile. They are generally 6,600-volt lines, built to conform to the State safety standards. The city of Tacoma not only was willing to have them do this, but in the early stages had city engineers go out and check the lines to see that they were built right, without any charge to the farmer; and in the early stages, in order to help those farmers, the city sold them cross-arms and hardware at wholesale prices. The city sold them these cross-arms and hardware at wholesale prices, so that the farmer might not be stuck by any private company.

That, in general, is a picture of the farmer lines. They are operating very successfully in Pierce County today. The day I left the State the legislature passed a bill to permit cities to freely sell power anywhere; and today there is being built in Washington a public superpower system.

The city of Tacoma has a debt today of about \$38 per horsepower represented by outstanding utility-bond issues, with average maturities, I should say, of about 9 years; possibly 10 years. In a few years every dollar of that debt will be extinguished by the process of paying it off year by year, because the debt is in the form of serial bonds. The private company which is the chief competitor of the cities of Seattle and Tacoma in that district has outstanding about \$425 per horsepower in stocks, bonds, notes, and debentures, all debts that constitute a never-ending burden and lien on the earnings of that system, and when Tacoma has her debt fully discharged and has no dollars per horsepower, to put it in curbstone English, invested in our plant there, the private company out there will be compelled to pay interest and dividends on \$425 per horsepower. Now, members of this committee are too good business men not to understand what that sort of financial set-up means. It means that we will be able in Tacoma, without this burden of interest and dividends, to give the people in that section the cheapest light and power in the world; and Tacoma for years has been giving that city the cheapest light and power in this country.

The CHAIRMAN. Hydroelectric power?

Senator BONE. Partly steam, but mostly hydro.

I have in my files statement after statement, some supplied by Insull companies operating very efficient generating systems, to the effect that they had built and were building and developing steam plants that were infinitely more efficient than the best hydro plant in the United States.

So, if it be asserted that the hydro plant is more efficient than the steam plant, the answer is found in the statement of the private companies themselves. So, if there is any advantage, it is in favor of steam. I do not agree with the conclusion of private companies.

One other suggestion. If the city of Tacoma should continue to sell the amount of current it does now, and for that current it received the same average price that is received by private power companies in many big eastern cities, the city of Tacoma would be a city without taxes. The profits would run the city without levying one dollar of tax for any purpose.

Let me illustrate that specifically. In my home, in 1 month, I used, for all purposes, 2,249 kilowatt-hours of current. For that amount of current I paid my city \$16.55.

I went to the city of Chicago in 1931 to speak before a public body there on the power question, and I checked that charge with the Commonwealth Edison of Chicago, to see what their charge would be for the same service. I not only checked it up with them, but I checked it up and compared it with the records of the department of that State which regulates the service charges of that utility, and also with the records available to me in my own office.

For the service for which my city charged me \$16.55 Sam Insull's company would have charged me \$98 in Chicago. The difference between \$16.55 and \$98 represents the reason the Insull Co. went on the rocks. It represents flagrant racketeering in the power business. It makes it easily understandable why Insull could give \$20,000,000 to build a fine opera house in Chicago. The people there thought the charges were perfectly proper, because some department of the State had said that that was a perfectly proper charge. The Chicago company claims to possess the most efficient steam-generating plants in the country.

The CHAIRMAN. It was stated here by at least two gentlemen who have appeared before the committee that the bookkeeping methods of the municipalities that operate utilities are such as to not make a fair comparison between the privately owned and the publicly owned and operated utilities in this, that the municipally owned concerns do not show by their figures, among other things, adequate replacement reserves, so that after a while the municipally owned plant will be worn out and completely gone, and it will require a total initial investment to replace the whole thing.

Senator BONE. That is as accurate as the other statements made by private power propaganda agencies.

The city of Tacoma has been in the power business 40 years, and the system today is better than at any time in its history. Forty

years' experience demonstrates the falsity of that statement, and it is not necessary to go beyond that.

The laws of the State of Washington require cities to set up a certain type of accounting in the handling of their power utilities. These regulations require the very thing that private companies say is not done. It is done.

The city of Tacoma takes from its gross revenues 7½ percent as a tax contribution to the city, and the power system is actually carrying a greater tax burden than the private companies there. Their average taxes paid to the State and its subdivisions amount to about 5 percent.

The CHAIRMAN. Do you mean that from the proceeds of the sale of current to your citizens, when you sell that current as cheaply as you do, 7 mills—

Senator BONE (interposing). That rate is in one particular case.

The CHAIRMAN. That is one class of rate?

Senator BONE. Yes.

The CHAIRMAN. But you claim that in all classes the rates are lower than those of the privately owned utilities?

Senator BONE. I think so, with perhaps one exception in the country.

The CHAIRMAN. If you are using 7½ percent of your gross revenues to help discharge the expenses of government and are retiring the initial investment in your utility plants, you now owe about how many dollars per horsepower?

Senator BONE. About \$38.

The CHAIRMAN. How many years will it take to retire that investment?

Senator BONE. The average life of these bonds is about 9 years. The great bulk of that bond indebtedness will be retired in the next decade.

Mr. HILL. Not refunded?

Senator BONE. Not refunded; no. It will be extinguished.

Mr. HILL. Paid off?

Senator BONE. Paid off. The capital will be written out and amortized completely.

Let me give you one illustration. I have often been on the platform with men representing private companies, and there is no answer to this principle of amortizing debt, and none is attempted.

I can give you a practical illustration of stock manipulation out West which is utterly indefensible and which is making the people turn to public ownership.

I will cite one or two instances to show the difference in public and private financing.

In 1908 the city of Tacoma authorized the building of a hydroelectric plant on the Nisqually River, about 35 miles from Tacoma.

The plant and the transmission line into the city of Tacoma cost \$2,000,000. In 12 years, out of the earnings of that plant, giving our people the cheapest light and power rates in this country, we paid off and discharged every dollar of that capital debt, so that at the end of 12 years the city of Tacoma owned a \$2,000,000 hydro plant without a dollar of investment left in the capital structure. It was ours just as much as though another Aladdin had rubbed another lamp and said, "Here is your power plant."

That plant has saved consumers millions of dollars.

One other illustration, to show you the nature of manipulation indulged in by power companies. And I will use names.

In my State, as in other States, unfortunately, private power companies are permitted to file on streams and control the stream flow.

Water is one of the greatest natural resources the people have.

A company called Northwestern Electric Co., which now is a wing of the American Power & Light Co., filed on a stream called the White Salmon River in southern Washington. They built a plant there to handle the stream flow. That plant cost that company \$1,230,000. I want you gentlemen of the committee to remember that figure. That is the cost of a 15,000-horsepower hydroelectric plant.

The company floated securities for the purpose of financing that plant.

Then, against the bare water right which cost nothing except a tiny filing fee, a negligible amount, against that water right this company issued \$10,424,000 in securities. That issue was based on a water right that cost nothing. That load of wind was practically eight times the capital cost of the plant itself, and was loaded on top of that capital cost.

That watered stock has been outstanding ever since that occurred, and for years this company has been paying 12 or 13 percent every year on this phantom value. That was tolerated under a system of so-called "State regulations", which did not "regulate."

If there is any system of regulation of private utilities that has ever been devised that regulates them, I have never run across it in studies I have made. The stock-jobbing swindle I have described was accomplished in a State which possesses a good regulatory system, as such systems go.

I think we are going to have a change out there. Mr. Murray, my associate, is now the chief of the State regulatory body, and some new laws were put on the statute books by the last legislature that may prevent such financial perversions in the future.

Those crimes have been tolerated by law, and the people tied into the lines of that private company have for years had to pay 12- or 13-percent interest on 10½ million dollars of wind which did not exist. That fraud was written into the capital structure of that company.

This illustrates why the people out there are getting weary of that sort of thing. That is why Tacoma can sell at the price that we do and make a million-dollar net profit in 1 year, and rapidly amortize the capital that was put into our plant. There is no water in the Tacoma power system.

Suppose we do not keep the same sort of bookkeeping set-up as the private company? We will in a few years have a \$30,000,000 plant with not a dollar of debt against it.

There is no answer to the proposition of amortization of capital structure; I have never yet found a reputable lawyer who has been able to successfully challenge the soundness of this principle. It is unanswerable. In a few years a city will own its plant; it will write out the capital. It will eliminate interest and dividends. That permits a very simple rate structure.

If you pick up a rate card of a private concern, including the companies of any of the gentlemen who testified before you, you will find that some of these companies have many different schedules of a highly involved nature.

If you were to ask them to produce their rate schedules, you would find that there are so many different schedules that it would take a Philadelphia lawyer to figure out what they might charge you under certain conditions.

I was 3 hours with the Edison Commonwealth Co. in Chicago trying to find out what they should charge me for 2,249 kilowatt-hours of service for domestic use. They wanted to know how many hours we were going to use one appliance and another, and how many hours we were going to use the water heater, and so on. The inquisition became tiresome.

In Tacoma all of that is made so simple that a child can understand our rate structure.

I went into Pendleton, Oreg., to make some speeches a few years ago, and while I was there a farmer brought in a rate card, and I looked at it. He was charged on rate no. 74, and the farmer was unable to explain the basis of the charge. He could not understand it. Contrast that with the bill which the farmer pays, when he is charged 5 cents per kilowatt-hour for the first 20 kilowatt-hours and an additional 1 cent for each kilowatt-hour of additional service such as the farmer pays in Pierce County, Wash., on a mutual line.

The rate structures of the private companies are so complicated that few men understand them. Professor Ripley once told me that no living man could understand the involved set-up of a company like the Midwest Utility. Professor Ripley was one of the most brilliant men America has ever produced. The financial structures of private power combines have become so involved that the men who created them do not know what it all means. Witness the Insull mess and the Foshay smash.

The ramifications of the Insull company are typical of many of these power companies.

I fear, Mr. Chairman, that I have taken too much of your time, but it is a very interesting topic.

Mr. JAMES. Senator, several years ago 5 or 6 power companies were interested in getting the Cove Creek Dam and 7 or 8 other dams on the Tennessee River.

Yesterday and the day before, representatives of the same companies appeared before this committee and said that now that they had an opportunity to get the Cove Creek and other dams it would be far cheaper for them to put up their own steam plants. What do you think of that?

Senator BONE. Well, it is difficult to answer a question of that kind. I am not an electrical engineer.

Perhaps I could answer that, Mr. JAMES, by saying that out in our country 3 or 4 years ago, in the heat of one of these battles, the power companies suddenly announced that they did not think much of hydroelectric development; that perhaps it was not very efficient.

Then I made a statement, urging them to abandon their filings on all our streams. They said, "Oh, no."

My private opinion is that hydroelectric power as a primary source of power cannot be challenged.

I agree with their engineers that power can be made very cheaply in a modern high-pressure steam plant by the use of powdered coal or oil, and the new superheating devices now in use. These new types of machinery permit them to turn out power very cheaply.

But I do not believe that the best steam plan on earth, in the long run, can be anything more than just an ordinary competitor of a hydro plant, because the factor of depreciation in a good hydro plant is exceedingly small.

The Cushman plant in Tacoma will be there when my grandchildren are old men. It is built in solid rock, and if anything goes wrong with the turbines it can be corrected at a comparatively small expense.

In the steam plant the depreciation is a marked factor at best. Then again the steam plant requires what a hydro plant does not require. At best it requires more men.

If you go to our big Cushman plant near Tacoma, you will see that because of the use of improved machinery and the simpler operation we are operating that huge hydro plant with a handful of men.

There is a plant representing a \$12,000,000 investment, with only a little handful of men to operate it.

The plant is almost automatic. The flow of water can be automatically stopped. Then if the city wants power, some fellow in the city hall can push a button, and a man in the plant pushes a button and the current starts flowing again.

An efficient hydro plant is one of the marvels of this age of industrial marvels. I do not believe that the best steam plant on earth can compete with it.

When the private power companies say they do not want the hydro resources of this country, they misinform everybody.

In our State the private power companies have filed on every second-foot of water power in the State, and they are going to hang on to it until we take it away from them by the competition of publicly owned plants.

Mr. Goss. Is there any place on the Skagit River that can be used for a publicly operated plant?

Senator BONE. The city of Seattle is building a big plant on that river.

Mr. HILL. What is your answer to the proposition made by the private power companies that the fact that the private power companies have to pay taxes, whereas a municipal power plant does not, gives the municipal plant a great advantage.

Senator BONE. That is not true. In the first place, the private power companies do not pay taxes. They merely collect taxes in additional rates and pass them on to the State. Taxes are allowed as an operating cost; the owners of private power companies do not pay taxes.

In the State of Washington, so that this record may be clear, the average amount of taxes paid by private companies in 1929 and 1930 to the State and its subdivisions was about 5 percent of their gross receipts.

Let me give the committee a practical illustration of this tax business.

The power gentlemen who have discussed the tax question in our State have largely quit talking about it. In 1924 we had a big power battle in the State. The private power companies distributed a million or more of the pamphlet I show you to the voters of the State, in which they said that public ownership of power would remove from the tax rolls \$300,000,000 of power property privately owned.

Then their spokesmen went all over the State proclaiming that they had \$300,000,000 worth of property on the tax rolls.

I prodded them and got them to say that a thousand times. I got every newspaper in the State to repeat this assertion, so that it is now in the record and cannot be removed.

The average tax rate that year in the State of Washington was 70 mills. Every other citizen was being assessed 70 mills on 50 percent of his property value. The total tax paid by all the private power companies on all their power properties was \$661,569.90. That represented a 70-mill tax on a total value of \$9,450,000.

In other words, these men had told the public they were being taxed on a \$300,000,000 value. They went to the public in that power battle with that statement as the foundation of their defense. It was utterly false. The company had able lawyers, men whom the people had a right to believe were telling them the truth. Over their own signature they said they had \$300,000,000 of property on the tax rolls, and yet they paid taxes on \$9,450,000, or less than one thirtieth of what they said they had on the tax rolls.

In 1930 we had another power fight. That year I had helped draw a measure known as "the Grange power bill." We had another power fight in Washington that year, and some of the newspapers said that between 1924 and 1930, \$100,000,000 had been added to the tax rolls by the private power companies, making a total tax value of \$400,000,000 in 1930.

The average tax that year was 70 mills. All of the private power companies in Washington paid that year \$1,174,678.79 in taxes to the State and its political subdivisions.

On the basis of a 70-mill tax the power companies were paying taxes on a total value of \$16,781,000. The ratio still continued, about one thirtieth of claimed value.

In other words, these private power companies have practically all of their property values off the tax rolls in the State of Washington. I found that that is largely true in many other places.

In my own county of Pierce, in a period of 7 years, by some peculiar manipulation, the values of properties of the Puget Sound Power Co. were reduced 40 percent for taxation purposes, while in the same 7 years the values on every little home in the county were increased 40 percent for taxation purposes.

As these companies were getting this tremendously valuable property off the tax rolls, every little home was being assessed more and more to take up the growing burden of government.

I might give you one or two more illustrations. This is a very practical thing, and you have a right to know some of the practical aspects of it.

If by competition from publicly owned plants in the State of Washington we could have reduced the average price of current to the consumer one tenth of 1 cent per kilowatt-hour, that reduction in itself would have saved consumers far more than all of the taxes paid by all of the private companies in the State of Washington. That saving alone would be more than all the taxes that they paid to the State and its subdivisions. That is, 1 mill per kilowatt-hour saving on the power and light rate would have more than offset all the taxes paid by the companies to the State.

In the State of Washington the tremendous driving force of public competition has reduced power rates until the Puget Sound Power Co. claims that its rates are the cheapest of any private power company in the United States.

Why does that power company give that cheap rate? Public competition, actual and potential, is the answer.

Why should the Insull Co. in Chicago charge more to the home owner in Chicago, in a large congested center where, according to all power spokesmen, distribution is cheapened, than do we when we have to send the power out over a line which serves the farmer far out in the "sticks"?

The answer is this, because where there is this public competition the power company gives the farmer a better rate. Our private power companies give the farmer a better rate than the people get in Chicago, where they ought to have the cheapest power and light in the world, and where Sam Insull told the people he was producing power at the cheapest rate in the country.

The Chicago Insull Co. has claimed that their plant is the best in the country. That may be true. They should give the benefit of this efficiency to the consumers instead of looting their pocketbooks in excessive rates.

Mr. HILL. When was this shortage of water that you speak about?

Senator BONE. In the winter of 1929.

Mr. MONTET. What capital outlay has the Tacoma project in its construction that you say produces one and one half to two million horsepower?

Senator BONE. That is not Tacoma. That is the combined ultimate output of the Seattle, Tacoma, and Centralia plants.

Mr. MONTET. Do you know what capital outlay would be involved?

Senator BONE. Tacoma's Cushman system, when completed, will cost about \$72 per horsepower. I would rather have you ask Mr. Murray those questions relating to cost. He handled the legal end of that work.

The Tacoma system now, measured by private power standards of value, would be worth at least \$30,000,000, and we have about \$8,000,000 debt standing out against it, and that will soon be amortized.

Mr. COCHRAN. What are the principal private power companies operating in the State of Washington?

Senator BONE. We have the Northwestern Electric Co., which is a subsidiary of the American Power & Light Co., operating in southwestern Washington and in Portland, Ore.

In the middle and southern part of the State an organization known as the "Pacific Power & Light Co.", which is another subsidiary of the American Power & Light Co., enjoys a monopoly. In eastern Washington the Washington Eastern Power Co., another wing of the American Power & Light Co., operates with a similar monopoly.

In the western and northwestern part of the State the Puget Sound Power & Light Co., a Stone & Webster corporation, occupies the field.

These are the 4 major private power organizations in the State, and 3 of them are controlled by 1 outfit.

Mr. COCHRAN. Then Stone & Webster and the American Power & Light are the two holding companies?

Senator BONE. That is right. The Engineers Public Service Corporation of Boston is the parent company of the Puget Sound Power & Light Co.

Mr. COCHRAN. Will you answer similarly as to the power companies operating in the State of Oregon?

Senator BONE. In the south is what is called the "Copco" (California-Oregon Power Co.), in that part of the State around Grants Pass, Medford, and Ashland.

In the central part of the State are small units owned by larger companies. The Yamhill Electric Co. and some other smaller organizations are controlled by other companies whose identity I am not familiar with. In the northern part of the State is the Portland Electric Power Co., called the "Pepco", having the same initials as the local company here.

The Pacific Power & Light Co. also operates in Oregon.

Mr. COCHRAN. Are the operating companies in Oregon owned by the holding companies?

Senator BONE. Yes.

Mr. COCHRAN. What are the holding companies?

Senator BONE. The Portland Electric Power Co. was taken over some time ago by an eastern concern; there was a shift in the stock. In this transaction there was an exchange of stock at around \$62 per share, with a subsequent drop in value to about \$3 a share. There was a loss of millions to the people in Portland who were unfortunate enough to buy that trash. Such a clamor followed that efforts are being made to prevent another scandal; and some hope is entertained that losses may be avoided.

Mr. COCHRAN. Are holding companies superimposed upon holding companies in those two States, in the financial set-up of those companies, or is there simply one holding company holding the stock of the operating companies out there?

Senator BONE. I cannot give you any information about that that would be of any value to you. The American Power & Light Co. is a holding company. The operations of the California & Oregon Power Co. are tied in with some southern company. They have a most elaborate set-up, but just what it is, I do not know. That seems to be a thing that possesses a fatal fascination for them—that is, to try to get as highly involved a capital set-up as possible.

Mr. COCHRAN. In your view of the matter, where there is one holding company holding the stock of various operating companies, is that capital set-up justified from the economic standpoint?

Senator BONE. Invariably, there is a temptation to inflate the capital structure. It is very easy for any holding company to do that. It can juggle its properties between subsidiaries as the Insull outfit did. The thing that I dislike about it is the lack of simplicity, and the manipulation made possible by a capital structure so highly involved. I would condemn them for their abuse of stock manipulation and the juggling of properties.

Mr. COCHRAN. Do you think that a holding company is justified where the various operating companies operate in different States, under different utility laws?

Senator BONZ. Congressman, I am sorry that I cannot answer you in a way that will give you much enlightenment. I must content myself by saying that if the men operating these companies were content to make a fair and reasonable return on their legitimate investment, much of the criticism that I and others have directed at them would fall of its own weight, because there would be no ground for criticism. But they are not content to do this. Just a short time ago, a high official, I think it was the Chancellor of the Exchequer of England, delivered a speech in Chicago before a large audience, in which he proclaimed Samuel Insull to be one of the greatest citizens of the world. I am not attempting to quote him except in substance. He said that it was an unfortunate thing that we did not have more men like Mr. Insull to guide us in the paths of glory with their transcendent genius. He thought it would be a marvelous thing for every country to have men like Mr. Insull at the head of public and private enterprises.

Now, at that very moment, the Insull debacle was impending and that was the worst mess that this country ever experienced. The South Sea bubble was nothing in comparison to it.

Mr. COCHRAN. I have asked these questions in view of the questions that were asked Mr. Owen D. Young and others before the Norbeck committee, and their answers justifying the existence of one holding company holding the stock of operating companies that operated in different States.

Mr. MAY. Senator, in view of the fact that you are a Member of the United States Senate and in view of the fact that myself and these other gentlemen who are considering this matter are Members of the House of Representatives, where these questions are pending for solution, I want to see if I can agree with you upon some fundamental principles involved in the legislation, as it is proposed, and whether or not, if we agree upon those things, you have some good suggestion that you can make to this committee looking to a solution of the problem. Now, first of all, Senator, do you agree with me that the water-power resources of this country are a natural inheritance of the people and should be preserved as nearly as possible for the use and benefit of all the people?

Senator BONE. I do, thoroughly.

Mr. MAY. Do you agree with me that, upon the principles of equity, in approaching this question the question ought to be solved by some form of legislation, with a guaranty of absolute protection to the interests of the Government and of the public and with as little injury as possible to the investments of others who are concerned?

Senator BONE. I think that would naturally follow.

Mr. MAY. You agree with me, no doubt, that we, as members of this committee, and you, as a member of committees of the United States Senate, should approach this question absolutely fairly and impartially, with a view to determining the right thing to be done.

Senator BONE. Yes.

Mr. MAY. Now, with those fundamentals agreed upon, I should like to ask you, Senator, if you have read the report of the St. Lawrence Power Development Commission in connection with the proposed improvement of the St. Lawrence waterway?

Senator BONE. I am preparing to go into that very thing. I am not exactly familiar with that set-up, but I have taken the subject up, and I intend to inform myself in regard to it. Therefore, I would prefer not to be interrogated with regard to that, with a view to obtaining any definite figures and information, until I am thoroughly advised as to what is intended to be done.

Mr. MAY. In view of that answer I will not go into the details of that matter with you now, but I want to call your attention to the letter of transmittal, dated January 15, 1931, of the New York State Power Authority, transmitting the report to the Governor and Legislature of New York.

There are 20 different findings set out in the letter, together with 15 or 20 recommendations made. At this time I want to call your attention to the thirteenth, fourteenth, and fifteenth findings of the commission, and will ask you for an expression of your views on them.

Mr. HILL. At what page?

Mr. MAY. Page 10. Finding no. 13 seems to me to fit right in with the situation at Muscle Shoals, and I should like to call your attention to it and ask an expression of your views on it. It reads as follows:

"It is practicable to encourage certain types of industry to locate at or near the site of the power house, and a demand from such industries can be assured within a reasonable time, sufficiently substantial to finance the project, if a public power or authority be created and authorized to solicit and make contracts."

The fourteenth finding reads as follows:

"However, in order to bring the benefit to the domestic and rural consumer, and in view of the fact that elaborate facilities are already in existence, the best solution of the problem of marketing St. Lawrence power involves the utilization of existing transmission and distribution systems under a contract with operating companies which will, at the same time, assure the companies affected remuneration for the service they perform and assure to the consumers to the largest extent the development by the public power authority of this low-cost power."

Do you agree with that statement?

Senator BONE. As I understand the reading of it, that simply means that the lines of the companies shall be used to carry the current. That is a purely mechanical process, and they might transmit energy over one of those lines, for which they could be

paid proper transmission charges. I would not want to quarrel with them if they wanted to do that, but if it is to their interest to build a transmission line alongside an existing one, they should have the power to do so. Let me suggest that my idea is, and always has been, that there should be no restriction on any public agency to deliver power at any point at which they want to deliver it. The mechanism by which the delivery is accomplished is not of such vital importance as that the power be reserved under which to make the delivery. Do I make myself plain?

Mr. MAY. Quite so. I call your attention to the fifteenth finding, which is as follows:

"It is not economically wise to parallel existing transmission or distribution systems, except as a possible solution in the event of failure of the private utility company to enter into a contract with the power authority on a fair and equitable basis."

Now, what do you think of that finding, in view of the pending legislation?

Senator BONE. Well, if the power authority that is set up has the power reserved, but cannot build transmission lines, then, in the event it might not be able to enter into such arrangements with private companies to transmit the power for it, it would face a very serious situation. That would be a serious objection. I would want the power reserved to build lines, and then, with the power reserved, private companies could buy power, and private concerns could deliver power for the authority on the basis of a proper carrying charge.

Mr. MAY. Being a lawyer, you are no doubt familiar with the rule that before condemnation proceedings can be resorted to for the purpose of acquiring the property of an individual by a corporation for public use, it is essential that an effort be made to contract for the property.

Senator BONE. That is not the rule in the State of Washington. You may condemn property for any public purpose.

Mr. MAY. But do you not have to make an effort to contract for it before instituting condemnation proceedings?

Senator BONE. No; not under our constitution and laws. I have condemned a million dollars' worth of property that was desired by a public client of mine. We did attempt to buy it first, but they would not sell it. But it is not a requirement under our law that offers be first made.

The CHAIRMAN. In other words, that is not a legal prerequisite?

Senator BONE. No; not in my State. I do not know what may be the law as to that in other States, but that is not the rule of law that obtains in the State of Washington.

Mr. MAY. As a principle governing the dealings of one man with another, would you be in favor of a provision in this bill providing that, where transmission lines already existed, or any other property existed that the Government would want to acquire for the furtherance of its purposes, the property be sought to be acquired through agreement with the owner before condemnation?

Senator BONE. Certainly; I believe, in the first place, that it is economically unsound to have two railroads paralleling each other, or two power lines paralleling one another. That is a fundamental economic error; but, on the other hand, I would not consciously, and I certainly hope that the committee would not consciously, report out a bill which in any wise ties the hands of that power system, because, if you do, you crucify that authority at the start. I would confer all the rights and powers upon the public body that other bodies have. I want the public body to have every power that the private concern has in this field. I think the public body should be placed in the same position as the other body, and that anything short of that would be a betrayal of the public interest.

Mr. MAY. The public body should have more authority.

Senator BONE. I would give it unlimited power. If this Government is not entitled to that power, then it is not worth preserving. We must have faith in something, and if we do not have faith in our own Government, we have nothing left. We are witnessing all over the world today the breakdown of parliamentary systems, and I do not want to see that occur in this country. My own boy may, at some day, be called upon to put a gun on his shoulder and fight for the country, and I want to have faith in the Government that he may be called upon to defend.

Mr. MAY. That is the very reason I asked you if you did not think the public authority should have a little leeway.

Senator BONE. I would give it every power that it should have. I know that if I were the public official charged with operation of such a system I would want every power to dicker with private concerns. Then, if they would not listen to reason, I would want power to club them into a spirit of decency and fair play. The private companies now have the power of condemnation. One of those Wall Street combines can come into my State and, under the laws of the State of Washington, if you had a piece of property there that they wanted to utilize for a private power plant, they would not have to say one word to you. The first thing that you know you would be presented with a summons to appear in court. The jury or the court would fix the price of the land. A preliminary offer is not necessary.

Mr. MAY. Do you mean to say that your State laws are so lame and inefficient that they allow a private corporation to take the property of a private citizen without seeing if they could agree with him as to the amount that should be paid?

Senator BONE. Exactly that.

Mr. MAY. Then that law should be amended. You are an advocate of public ownership, are you not?

Senator BONE. For electric power, yes; very completely and thoroughly.

Mr. MAY. Assuming that you are an expert, which I think you have manifested in your statement, and that your long years of practice as a lawyer makes you thoroughly familiar with the basis or reason for hypothetical questions, I should like to ask you this question: Assuming that down around Muscle Shoals, in Alabama, Tennessee, and Georgia, there is already invested about \$400,000,000 of people's money, distributed widely among individuals, corporations, and private interests of those three States; and, assuming further that the record here shows, or that the evidence shows, that since the 1st day of last January, or about that time, there has been a heavy depression in the value of the stocks and bonds of those companies, based upon a rumor or report that Muscle Shoals power would be utilized over transmission lines to be provided for the distribution and sale of electricity, and assuming further that the statement here, so far uncontradicted, discloses that this investment, involving the sum of \$400,000,000, would be practically destroyed, would you say that it would be proper and right for this committee to report out a bill authorizing the Government board or authority to approach that subject arbitrarily, without making an effort to deal with any of those 3, 4, 5, or 6 private power companies, with this investment held by women, children, trust companies, insurance companies, banks, and so forth, and without making some effort to use them in the proper utilization of this natural resource?

Senator BONE. No; I think that the power authority should be given the same power that private power companies have—that is, the power to negotiate and the power to condemn. I would give this power authority in this instance the same power that the State of Washington, or my own State, gives to the Puget Sound Power & Light Co. A company in my State can come to me and say, "Mr. BONE, you have a piece of land that we want to utilize. How much will you take for it? We will give you \$1,000 for it." Then I may say, "I think my land is worth \$5,000"; and they may say, "We will not pay that much for it." Then the next day I am served with a summons in a condemnation suit. Now, I would give the public authority that same power. I say that because that power resides not only in public and private power corporations, but it extends to almost every form of utility organization in the United States. I would give them the power to negotiate and to dicker. We have no more right to assume that the United States Government, through its properly constituted agencies, would go into those States and try to rob anyone than we would to assume that a private power company would do it. I think we could trust the Government agency to treat people fairly under this system. However, I would accept with a great deal of salt the statement that they have an investment of \$400,000,000. They usually magnify such investments, or that has been my experience. However, that is neither here nor there, because the man with \$10 is as much entitled to protection as the man with 10 cents.

Mr. MAY. You will agree with me that a lot of the public condemnation of power companies in this country is attributable, perhaps, to some of their sharp practices and to some of their methods of financing.

Senator BONE. It is due to the fact that they are trying to earn a return on wind and water that has been written into their rate structures. That is a trouble that cannot be gotten at except through competition; so-called "regulation" has utterly failed to do it.

Mr. MAY. Of course, you want that wind and water taken out of them, and their earnings based only on their legitimate investment.

Senator BONE. Yes. However, under our system of law, that form of private ownership is only entitled to the protection that the law gives to other forms of private ownership; and that protection of private rights, or the recognition of that right of protection, certainly should not be coupled with any right of recognition of earnings on something that does not exist. Men should not be allowed to earn return on phantom dollars or have such practices validated by law or regulation.

Mr. MAY. You do not believe that the Government should take a farmer's piece of land, nor that a power company should take a piece of land and make use of it, without first making just compensation therefor, do you?

Senator BONE. That cannot be done under the Constitution.

Mr. MAY. You do not believe that should be done, do you?

Senator BONE. No. Even if you wrote such a provision into law, it would be a nullity.

Mr. MAY. Assuming that the evidence here shows that in order to develop the additional power facilities that would be created by the construction and operation of the Cove Creek Dam, and to build Dam No. 2 or Dam No. 3, whichever it is, would cost some \$55,000,000 to \$60,000,000, leaving entirely out of consideration the question of flood control and navigation, do you believe that the Government of the United States would be justified, in order to utilize the power at Muscle Shoals, to expend that much money, rather than to undertake to determine what should be done through some public tribunal established by the Government, like the Federal Power Commission, or some other public tribunal that would be supposed to have the Government's interest at heart?

Senator BONE. I will answer that question by saying this: That, in my experience, I know of no system of regulation that has been effective. I am not asserting by that that it cannot possibly be done, because that would be to assert something which might not be true. But, in my judgment, it has never yet been accomplished.

Mr. MAY. That would be taking back what you said about having faith in the Government.

Senator BONE. Yes. I know of no system of regulation that has ever been successful. We have a regulatory law in the State of Washington, and I think ours was based largely on that of Massachusetts, where the power companies were in the saddle. We adopted that law in 1911, and up to this time we have had a commission. We thought we would have a new deal in Washington under that law, but under this so-called "regulation", this White Salmon River monstrosity that I referred to was accomplished. A bare water right was written into the capital stock of the company for eight times the cost of the power plant. That thing occurred under a system of State regulation which we regarded as second to none. I do not believe it is possible to regulate rates successfully under the present system. I think we are all sufficiently practical to understand just what I mean by that. From the very moment a system of public regulation was adopted, the companies that were to be regulated went into politics in order to regulate their regulators, and they have done a fine job of regulating themselves. In my State, at every session of the legislature, there has been a power lobby at Olympia, and a lot of whisky and a lot of money have been in evidence.

Mr. MAY. I gather from your entire statement that there has been a lot of unusual abuse by public utilities out there, and that you have been in a battle with them for some 20 years on the side of the people; and, doubtless, as a result of that you are in the United States Senate. If I am correct about that, I should like to know if you feel that this committee should act entirely upon the prejudices which may have been formed because of those abuses, or should we approach the subject with a view of trying to do equity as between all of the parties concerned?

Senator BONE. With the worst of our experience in Washington, our rates were not as high as they were in Chicago. I am endeavoring to speak about protection, not only to the Public Treasury, but to the pocketbooks of the people who pay these excessive rates. By these excessive rates there has been taken out of the pocketbooks of the people enough in excessive charges to pay the tax bills of those people. These abuses are not confined to Washington State. They are part and parcel of private ownership of a highly profitable business.

I have seen the profits from a power system pay the entire operating costs of a local government. There are little cities in Washington today that have no city taxes at all, because they own their lighting systems and run the city out of light revenues. Yet their rates are cheaper than those of the surrounding communities served by private companies. I know that most people do not understand the relation between light and power rates and the cost of government. If Tacoma charged the ungodly rates that are exacted by the Insull outfit in Chicago, we would have no city taxes at all in Tacoma. In other words, my own city of Tacoma, with its population of 107,000, would be free of municipal taxes. Now, that is full of meaning to me as a lawyer who has represented taxing bodies for many years. It is a very practical proposition. I have people coming to me saying, "This terrific tax burden is crushing us," and I tell them as a lawyer representing a public body that I am going to try to find some way to remove that burden.

When we know that progress makes possible the removal of some of this tax burden there is only one answer to it: The only way by which we will ever get at this thing is not by the regulation of these companies, because they have built up a capital structure of stocks and bonds which frequently bears no relation to actual investment. You speak of the stocks and bonds issued by these southern companies, and I ask you, Shall the people forever carry the burden of those stocks and bonds? I know that a lot of this stuff has been sold to innocent investors, but that is no reason why society should forever carry that burden.

Mr. MAY. Following all those things, do you think it good policy for the Government to approach this subject of Muscle Shoals development in the Tennessee River Valley, with an expenditure of about \$60,000,000, before making some other effort, in honest good faith, to work out a solution without the expenditure of that money?

Senator BONE. I do not see how the Government could go into the field of intrastate rates effectively, or at all.

Mr. MAY. You realize that it can acquire property by contract, if it needs it?

Senator BONE. Yes, sir; but I understood you to suggest the propriety of regulation.

Mr. MAY. I am leaving that for the moment.

Senator BONE. I do not see how the Government, by any system that we can create, can have any effective check on intrastate rates.

Mr. MAY. Let me get right down to my question, if I understand you, and I think I can: Do you believe that the Government ought first to lay out an expenditure down there amounting to approximately \$60,000,000, before we adopt some plan, or should we try to solve the problem before making that expenditure of money?

Senator BONE. I will answer that in this way: I do not see how we can adopt any other course than that laid out in the Muscle Shoals bill, because that, in my judgment, is the most effective regulator that we can have.

Mr. MAY. Would you direct that board or authority, as one of these bills implies, to undertake to work out a solution of the distribution of power in the Tennessee River Valley through contracts or agreements with private power companies that already have systems of transmission and distribution, or would you go out and start up full competition with them in the distribution of power by providing competing transmission lines, to begin with?

Senator BONE. I think it would be perfectly proper to have a provision in the bill authorizing the power authority to enter into arrangements or agreements with the private companies to transmit over their lines. That power might well be conferred in the bill as one of the powers of the commission.

Mr. LLOYD. We have been told here by the representatives of the power interests, it may be assumed, that there were outstanding securities amounting to some \$400,000,000 that are going to be vitally affected by this bill, if passed. We are told, too, that not only is it immoral to destroy all of that wealth that they say will be destroyed by the passage of the bill, but we are threatened with further trouble in our national financial structure by the lack of security that will remain in investments. Have you any particular thought on that question? In other words, they say that it will wipe out \$400,000,000 of investments which will bring a further calamity to our national economic life.

Senator BONE. I do not agree with that. In the first place, that charge is based on the assumption that you are going to wipe it all out. It has wiped itself out largely. Insull's outfit wiped out a billion of that sort of thing in a section of the country where there was no public competition.

Manifestly, there is something inherently vicious in a financial set-up that destroys itself. It is, I think, a wrong assumption to indulge in, to assume that because the Government goes in there that you are going to destroy that investment. After all, that is not true. It seems to me that that assertion is based on the assumption that you are going in there and seize something; that just cannot be done. Private power companies out in my country boast that they can compete with public plants.

Mr. LLOYD. That is all, Mr. Chairman.

The CHAIRMAN. Let me interpolate at this point that one answer comes in from a letter which was just handed me written by a Mr. Ross B. Mateer, of 1869 Wynnewood Road, Philadelphia, Pa., and dated April 14. Mr. Mateer addresses this to me and says:

"This clipping in the Philadelphia Evening Ledger of April 14 is amazing, and you might ask Mr. Wilkie if this \$400,000,000 is the value he places on the outstanding 31,000,000 shares of common stock of Commonwealth & Southern Corporation? If so, it might be wise to wipe out the \$400,000,000, which represents water-multiple shares of stock issued in exchange for split-up stock of Southeastern Power & Light Corporation and Commonwealth Power Corporation.

"The writer is a stockholder, one of the many stung by this Morgan-Bonbright pyramiding. The writer still owns his stock and would welcome any program which would outlaw this corporation, even though it means an absolute loss. The general effect, preventing repyramiding of holding corporations, would be beneficial. Mr. Wilkie and his associates would also be interested in this statement."

Mr. MAY. Mr. Chairman, if you will allow me, I should like to ask the Senator a question on a matter that is in my mind, at this time.

The CHAIRMAN. Very well.

Mr. MAY. Senator, in your recital of conditions prevailing in the State of Washington and the accomplishments of your public operation and ownership system of Tacoma out there, and in the course of your narration of what the approximately 3,000 farmers did, you made the statement that the private power companies are simply going broke; that these private company organizations out there are going broke; is that correct?

Senator BONE. Yes; they are going broke; that is, in my judgment.

Mr. MAY. Is it due to Government operation and control?

Senator BONE. No. It is due to the very thing that made Insull go broke, that has made a lot of these companies go broke, where there was no public competition.

I do not know whether you gentlemen follow the press reports, but you will notice, if you do, that a great many of these power companies are in the hands of receivers right now in sections of the United States where there is no active public competition.

As you know also, there was really no competition with Insull. A lot of power combines will go broke for the reason that they are trying to accomplish the impossible. They have flooded their capital structures with huge flotations of wind and water, upon which they try to pay interest and dividends at a time when the public is practicing thrift and using less and less current. Revenues are dropping while the racket of stock selling is coming to an end.

The Puget Sound Power & Light Co. now has ceased to pay dividends on its preferred stock. It is not paying dividends on its common stock, and if this depression continues, they may not be able to pay necessary interest on their bonds.

Mr. MAY. Then the public ownership competition, taking their trade and business away from them, has not had anything to do with it?

Senator BONE. It has not had such a material effect as some would think, although it has done this: it has forced the Puget Sound Power & Light Co. to make rate reduction after rate reduction.

Mr. MAY. Does not that bring about a reduction in revenue?

Senator BONE. Surely; very material reduction.

Mr. MAY. Thereby helping to eliminate their dividends.

Senator BONE. That is true.

Mr. MAY. All right, then, would not competition by the Government down in Alabama destroy the stocks of the Alabama Power Co. in that way?

Senator BONE. It might affect the market value of their stocks, probably considerably; for a time.

Mr. MAY. That is the point I had in mind.

Senator BONE. Just as the intrusion of a chain-store organization into any community destroys the value of the business of any local independent merchants in that community, which is a perfectly legal piece of business, and so recognized.

Mr. FADDIS. Senator, with reference to this matter of the wiping out of the value of these stocks, if a citizen of the United States were to go down the street and someone asked him if he would change a \$50 bill, let us say, and he receives a \$50 counterfeit bill, he has no recourse from the Government for that exchange. If he can prove the transaction, the Government will, of course, prosecute the case.

Take the case of these stocks that the public generally believed to be composed largely of wind and water. Are they not in the same position as the person holding a counterfeit bill?

Senator BONE. These companies simply sold the people counterfeits; the prior preference, pluperfect, superheterodyne stock they unloaded was counterfeit. Insull's graft is a fine example. Foshay is another. I used to be in a prosecutor's office when I was a young fellow, and while I was a deputy there I saw lots of fellows put behind the bars for taking a loaf of bread or for some other minor offense. I say that these big fellows have gone unwhipped, while they were unloading billions of dollars of worthless trash on the country. I am beginning to wonder where our standards of justice in the United States are going.

We have been very tender in handling these fellows. Our solicitude for them has been one of the outstanding facts of recent political history.

Mr. FADDIS. That is exactly my point. In your opinion, then, does the Government owe any obligation to protect someone who has blindly bought a lot of worthless stock, which the public is paying for over and over again year after year?

Senator BONE. I know of no other field in which the Government is doing that. Perhaps some member around the table can suggest where the Government is protecting other groups who are doing that.

Mr. MAY. Will the gentleman yield?

Mr. FADDIS. Yes.

Mr. MAY. In line of your question, do you know how and can you tell this committee how to protect these widows and orphans, women and children in this country, who have these investments, and, at the same time, get the wind and water out of these power companies' stocks?

Senator BONE. It is one of the inherent defects of our system that men who are almost criminals at heart are permitted to do this sort of thing and Congress year after year fails to create a protective device that will stop such operations.

Mr. MAY. Then you are for the securities bill that is pending in Congress?

Senator BONE. Well, I do not want to answer that. But year after year these abuses have grown. They have become a Frankenstein monster, and now the question, as I view it, is this: Shall we sacrifice public interest now? We are at the parting of the ways. We have either got to take one route or the other. We have now got to correct these abuses. Of course, somebody may have to suffer. I am sorry that that is true. I am as sorry as anyone can be that someone has to suffer. Widows and orphans do not own so much of this stock as you think. Some pretty healthy male adults own this stock. I have heard this widows-and-orphan business ever since it was first suggested that we have any kind of social legislation. Since then the cry of "widows and orphans" has been raised when any intrenched wrong was challenged by those with social vision.

Possibly some widows and orphans do own some of this stock. I know of widows who were induced to buy \$5,000 worth of stock in a power company and it has practically no value now.

Mr. MAY. Will you let me ask you a question right there?

Senator BONE. Yes.

Mr. MAY. In view of that outrageous and unjustifiable abuse of the power company in selling a widow that \$5,000 worth of stock, do you think that the Government of the United States ought to become a party to that transaction and destroy that stock for her?

Senator BONE. I answered that by making another assertion; that is, I know of no instance where the Government of the United States has stepped in and prevented the chain-store combine from ruining all the individual business men of a community. Do you know of any instance of that kind?

Mr. MAY. No; and I am opposed to chain stores, too.

Senator BONE. I frankly confess to you I cannot understand why all our solicitude shall be for the power companies and not for other forms of business. For years I have represented many different forms of business, but I have never found any of this tender solicitude expressed in many quarters for any outfit except the power companies.

Mr. MAY. Have you ever heard of the railroads, as well as insurance companies, having stock securities all over the country—and they are about to go broke—and the Reconstruction Finance Corporation lending them millions and hundreds of millions to protect those investments?

Senator BONE. That is right, and we have done it. But the power companies have been granted special privileges. There has been incorporated into our laws those things known as "certificates of necessity and convenience", acts which gave them absolute monopolies which are, in my judgment, contrary to the very spirit of our people. Private monopoly is indefensible.

Mr. MAY. I believe that some of them ought to be indicted and prosecuted. That is all, Mr. Chairman.

The CHAIRMAN. Mr. KVALE—

Mr. KVALE. Senator, when you referred in your statement to the power companies some years ago paying taxes upon a valuation of \$300,000,000; what did they base those figures on? Is that the value of their securities?

Senator BONE. No. They did not base it on anything except that upon which most of their statements are based, and that is a figment of the imagination; anything that will capture public imagination and can be utilized as an argument for their purposes.

Mr. KVALE. The reason I ask the question is because I tried to adduce similar testimony at the time the power executives from Alabama and Georgia were on the stand. I tried to get specific comparisons of definite property sites and locations on the one hand for taxing purposes and on the other hand for the purpose of issuing securities and for rate-making purposes.

Senator BONE. Were you successful?

Mr. KVALE. Not at all.

Senator BONE. And you will not be.

Mr. KVALE. I wondered if you could add anything for the record in that regard?

Senator BONE. I am sorry, Congressman; I cannot with respect to the Alabama companies. I am not familiar with their set-up.

Mr. KVALE. In the State of Washington you must know of some county or some locality where they placed a certain valuation upon properties and the customers of that company paid rates on that basis, and on that basis securities were issued, but when it came to the State or county taxing agency making an appraisal, and levying taxes thereon, I think you would be able to say to the committee that the discrepancy between those two sets of figures would be astounding, even to members who think they are informed.

Senator BONE. Let me give the committee one illustration of that. We will write this right into the record, so that you can check against it if you desire.

A year or so ago the city of Puyallup, near Tacoma, hired my good friend Mr. Murray as its attorney to condemn the distribution system of the Puget Sound Power & Light Co. in that city, with a view of taking it over and buying power from my own city of Tacoma.

In the trial of that action witnesses on behalf of the company testified that its distribution system in that city was worth \$450,000 and they were earning a very nice return, a very handsome return, on that value of \$450,000. Now, here is a concrete case. It is a concrete example of the thing Congressman KVALE refers to.

The vice president of Puget Sound Power & Light Co., a gentleman by the name of McGrath, went on the witness stand. I happened to be in court at the time he was testifying, and he swore that the system was worth \$450,000, and his engineers supported that testimony.

I wanted to know what taxes they were paying on this \$450,000 system, so I went to the assessor's office and found that it was paying taxes on a value of \$15,000, which was exactly one thirtieth of the value that the officers of that company were giving to it in sworn testimony.

That thing is true not only in Washington, it is true everywhere; and the unhappy picture presented by the tax evasion of power companies in my State is duplicated in every State in this Union.

Mr. MONTET. What value was placed on that in the condemnation proceeding?

Senator BONE. The jury gave the company \$216,000 for the system.

Mr. KVALE. Mr. Chairman, I have finished, except that I would like to add this, in connection with this controversy, that we have urged protection of the victims of these fake stocks, that the Government should undertake to guarantee those either at their par value or their market value as of a certain date. If that were done, would not the Government, in effect, as has been suggested, actually be in the position of underwriting and fostering and nurturing that sort of criminal practice?

Senator BONE. I cannot conceive of a Congress, a body of men representing a civilized Nation, validating all the fakery and all the fraud of the past.

Again I want to say to you, Congressman, that if there is any man in this room or in this country who is sorry that somebody must pay the price for all this sort of thing, because ultimately they are going to have to pay it, I am that man. I am sorry the people are going to lose money in these things. But they are going to lose money, not because there are men like myself in this country who want public ownership of power, but they are going to lose it because the very system in which they invested is financially unhealthy and cannot survive. The practices of the power companies in this country have been un-American. These practices have hammered at the very foundation stones of this Republic. In my judgment, they have done things that were unconscionable, and unfortunately the people will have to pay the price, whether you or I act or not as Members of this Congress.

Many power combines are now in receiverships and their little stockholders will be washed out. A little bunch of bondholders will ultimately own these systems. Again I call attention to Foshay and Insull.

Whether we go ahead with this Muscle Shoals development or not, private power companies cannot continue to pay interest and

dividends on the huge flotations of bonds and stocks they have outstanding.

It may be that the passage of the Muscle Shoals bill would merely hasten that result, Congressman. But if it does there is nothing morally wrong in that. This thing is going to happen with a lot of companies in time, because most of them have indulged in that practice.

That is why Congress faces the necessity of passing laws to get at these situations.

Mr. MONTET. May I ask the witness another question? I am sure that there is not a member on this committee or a Member of Congress who believes in or who supports this practice of issuing fictitious issues of stock in any corporation or in any business. For myself I am just trying to get your general attitude in connection with such matters. Do you not know that when it comes to fictitious stocks that the railroads of this country have probably sold their share of that kind of stock? Do you not think so?

Senator BONE. Oh, there have been so many abuses in our economic system that I am sure you can appreciate my reluctance in expressing conclusions on all of those things. They present unhappy pictures. You have asked me about the railroad companies—

Mr. MONTET. Do you not know that that is a fact?

Senator BONE. Yes; that is true. But let us go back. The Government of the United States, represented by its Congress, gave the men who built the Union Pacific Railroad Co. enough money out of the Public Treasury to build that road. They gave Uncle Sam a second mortgage. You remember that?

Mr. MONTET. Yes.

Senator BONE. Uncle Sam should have had a first mortgage—as a matter of fact, he should have built and kept the road.

Mr. MAY. Always.

Senator BONE. Yes; men loyal to this Government would have insisted on at least a first mortgage instead of a second mortgage, which was given, so that a bunch of manipulators could not go out and flood Europe with a lot of fake bonds that brought disaster to everybody and that resulted in a great scandal.

Mr. MONTET. Do you think it is proper for this Government to come to the rescue of the railroads, as it has through the Reconstruction Finance Corporation?

Senator BONE. Of course, transportation is such a vital thing that—

Mr. MONTET. It is no more vital than power, is it?

Senator BONE. That is true; power, transportation, communication—those things are so vital to the people that to allow them to remain in private hands without any effective control over those agencies, and to allow these men to flood this country with billions of dollars worth of trash, which investors buy on the strength of assertions of such men as Mr. Insull, who held themselves out as public servants—to allow that is a reproach to our people and a reproach to this Government.

These are some of the things that breed contempt for and a fear of government, and a contempt for parliamentary government, if you please.

That is one of the reasons why, in Germany today, we are witnessing a sad and somber thing—the breakdown of parliamentary government—people feeling to an autocracy because they feel that parliamentary government has broken down, is not functioning on behalf of the people.

We do not want that sort of thing to come about in this country.

Mr. MONTET. I do not want you to get away from my question, Senator, whether or not you approve of the Government coming to the rescue of the railroads, as it has in the last year or two, through the operations of the Reconstruction Finance Corporation?

Senator BONE. Well, I was not in Congress to vote on it.

Mr. MONTET. I am just asking whether you approve that or not.

Senator BONE. You are asking me to approve in a blanket sort of way, a law; I might approve some portion of it and not approve all of it.

Mr. MONTET. Do you approve of the principle of the Government going to their rescue?

Senator BONE. I believe this: If the Government comes to the rescue of one of those organizations, it should fortify itself with a first-mortgage lien on it so that, if it has to, it can take it over and write out all of this fictitious value, and then go ahead with operations under public ownership.

Mr. MONTET. Are you going to leave the impression with the committee that you have no opinion on the particular proposition that I have submitted to you?

Senator BONE. I think the Government in a great crisis probably would have to support many of those institutions, and could do it very legitimately.

Mr. MONTET. Do you approve of the support of the railroads by the Government?

Senator BONE. I think it were better to do this than to have the railroads absolutely crash—that is, better to support them in the crisis.

Mr. MONTET. In spite of the fact that it is well known and has been well known for many decades that if there are any institutions in this country that are loaded down with watered stock, it is the railroads.

Senator BONE. They have been grave offenders in the past, but they were tyros, kids, kindergarten operators, compared with the power companies.

Mr. MONTET. It may be because of the fact that the power companies' activities are fresher in the public's mind.

Senator BONE. No; it is true that the railroads have written into the capital structure of their companies lots of wind and water in times past and have never amortized it, and have staggered along year after year trying to pay interest and dividends on that which should have been written out long ago. That is the hard and fast price of private ownership of a utility.

Public ownership does a thing which must appeal to every lawyer, to every thinking man; it writes out the capital cost of a system. It eliminates the problem that presents itself to you now, "What shall we do with this stock?" Do you not see that? We write that problem out with public ownership—write it out for all time.

Mr. MONTET. What are we going to do with all this railroad stock?

Senator BONE. I confess that these abuses have been with us long enough and the time has come when they present a very terrifying problem to the Government. That problem is confronting us today, and therefore what I might feel is a logical step to take, I might be compelled to abandon temporarily in the face of a great crisis, and for the moment do something that might not seem really logical. The financial blunders of the past are exacting a bitter price.

In a great crisis I am not going to indulge in a lot of niceties; I am going to try to save the structure from collapsing, if I can, and I am going to concede a lot of things. I am willing to abandon a lot of things that appeal to me in order, for the moment, to buttress and bolster this thing and keep it from collapsing.

But that is not going to prevent for one moment my drive for the ultimate solution of this problem along logical lines. Intellectual honesty dictates that course.

I think the answer to this does not lie in allowing these private companies to continue their abuses. I may temporarily support them, on the one hand, to prevent a total collapse; but, on the other hand, set about, as I believe we should, to prevent a recurrence of these abuses in the future.

Mr. MONTET. Senator, do you subscribe to the principle of chain-store operation?

The CHAIRMAN. Gentlemen, if you will pardon me, we have one problem that is confronting us, and though we would like to allow a great deal of latitude, I think it would be the will of the committee that we do not continue with a purely academic discussion.

Mr. MONTET. Mr. Chairman, perhaps you do not appreciate the analogy between railroads and chain-store operation, but I do.

The CHAIRMAN. Let us proceed, then.

Senator BONE. May I answer that by saying this: I think I referred to chain stores a moment ago.

Mr. MONTET. And that is the reason I am bringing it up now.

Senator BONE. I say, I know of no other Government agency that has ever been used or invoked to protect the little business man from the encroachment of the chain stores. As a result of present economic forces, some half million individual business men have gone down and out in this country in a comparatively short space of time. Antitrust statutes appear futile.

Mr. MONTET. That is true.

Senator BONE. The competition of the chain store has made it impossible for the little fellow to survive. The Government has not attempted to protect the little business man from the encroachments of the big combinations. That is why I do not see why there should be so much concern over protecting the power companies. They are now being merged into the most gigantic trust on earth.

Mr. THOMPSON. Do you favor Government ownership of railroads, telephone, and telegraph lines?

Senator BONE. I think we are going to have to come to it.

Mr. MAY. Mr. Chairman, may I ask one question right on this issue here?

The CHAIRMAN. Very well.

Mr. MAY. Senator, according to the proof submitted by the power company representatives in behalf of the Alabama Power Co., as I remember it, they are serving 384 communities in Alabama, embracing about 640,000 square miles, and giving an average domestic consumers' rate of 1.23 cents per kilowatt-hour.

Mr. KVALE. That is not the average domestic rate.

Senator BONE. The average domestic rate is over 4 cents, according to figures in my possession.

Mr. MAY. I thought that was the domestic rate.

Senator BONE. Oh, no.

Mr. KVALE. That is the over-all rate.

Mr. MAY. Assuming, then, that it is an average over all, do you think with the present development that that is probably a reasonably fair rate for efficient service or not?

Senator BONE. In the first place—

Mr. MAY. For that many communities?

Senator BONE. In the first place, I want to deny most emphatically that they are giving that kind of a domestic rate of an average of a little over 1 cent. If they assert that, I would want to see the figures. I have in my files the findings of the last organization meeting of the public utilities commissions of the United States, and the average domestic rate is over 4 cents.

Mr. RANSLEY. That is an average rate over all.

Mr. KVALE. Mr. Chairman, the manager of the company to which I have referred promised that he would try to insert in the record the average and also the percentage of each class of consumer power. Do you recall that?

The CHAIRMAN. Yes, sir; and I believe he will. I have no doubt that he will comply with that promise. It has not come in yet, so far as I know.

Senator, I wanted to state in your presence that the Honorable MILES ALLGOOD, a Representative from the State of Alabama, who has long been a very loyal supporter of the proposition of the operation of the Muscle Shoals properties in the interest of the people, has just handed me a telegram signed by some 9 or 10 people, from Albertville, Ala., and the telegram reads as follows:

ALBERTVILLE, ALA., April 14, 1933.

HON. MILES C. ALLGOOD,

House of Representatives:

Regardless Alabama Power Co. clandestine propaganda, people of this section, and we believe 90 percent throughout the State, are whole-heartedly in favor of Roosevelt's Muscle Shoals development, including the building of transmission lines.

Thos. E. Orr, A. B. Hooper, Jr., J. Pat Colvin, J. W. Walker, W. S. Hewitt, R. E. Dunson, E. L. Roberts, B. C. Scarborough, C. J. Walker, Hogan Jackson, I. C. Hubbard, L. S. Thompson, C. W. Long, T. D. Thompson, G. D. Wells, First National Bank, M. F. Irvin, Joe C. Wakefield.

That is a voice from Alabama.

Mr. JUDSON KING. Mr. Chairman, may I make one statement to Mr. May?

The CHAIRMAN. Very well.

Mr. KING. Mr. May, if you are under the impression that you are quoting a document of the New York Power Authority there—and that is what you told the committee—you are quite mistaken. That document that you have was a document of the development commission. The impression is, as you gave it, that that was by the New York Power Authority, and that this is Governor Roosevelt's proposition. That is not true. The men who made this report failed of appointment by Governor Roosevelt on the New York Power Authority, which is now headed by Frank P. Walsh.

Senator BONE. Mr. Chairman, may I make one further statement? A member of the press has asked me about my reference to Mr. Charles Francis Adams. Let me say that in December 1929, when this controversy over the Lexington coming to Tacoma was before us, I had occasion to wire Senator DILL, and at that time I examined Moody's Manual and other statistical works in order to determine the connection of Mr. Adams with the Puget Sound Power & Light Co. and other Stone & Webster organizations. Those manuals showed that Mr. Adams was a director in practically all of the Stone & Webster power companies scattered all over the United States. It was later announced that Mr. Adams had severed his connection with them. Whether he retained any stock interest is not apparent from this record. But it was a fact that Mr. Adams, while Secretary of the Navy, made it possible for the Puget Sound Power & Light Co. to utilize the great Government steam plant at Bremerton Navy Yard to carry it through this power shortage in the winter of 1929.

The CHAIRMAN. Thank you, Senator.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Alabama, as modified.

Mr. BANKHEAD. Mr. President, let us have a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson	Reynolds
Ashurst	Costigan	Kean	Robinson, Ark.
Austin	Couzens	Kendrick	Robinson, Ind.
Bachman	Cutting	La Follette	Russell
Bankhead	Dale	Logan	Sheppard
Barbour	Dickinson	Lonerger	Shipstead
Barkley	Dill	Long	Smith
Black	Duffy	McAdoo	Stelwer
Bone	Erickson	McCarran	Stephens
Borah	Fess	McGill	Thomas, Okla.
Bratton	Fletcher	McKellar	Thomas, Utah
Brown	Frazier	McNary	Townsend
Bulkley	George	Metcalf	Trammell
Bulow	Glass	Murphy	Tydings
Byrd	Goldsborough	Neely	Vandenberg
Byrnes	Gore	Norbeck	Van Nuys
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Carey	Hastings	Overton	Wheeler
Clark	Hatfield	Patterson	White
Connally	Hayden	Pope	
Coolidge	Hebert	Reed	

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the Senator from Alabama [Mr. BANKHEAD], as modified.

Mr. BANKHEAD. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

The VICE PRESIDENT. The question is, Shall the bill be engrossed and read a third time?

Mr. NORRIS. Mr. President, I want Senators to know that there is a House bill on this subject on the desk, and I

ask unanimous consent that the Senate now take up the House bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 5081) to provide for the common defense, to aid interstate commerce by navigation, to provide flood control, to promote the general welfare by creating the Tennessee Valley Authority, to operate the Muscle Shoals properties, and to encourage agricultural, industrial, and economic development.

Mr. NORRIS. I move to strike out all after the enacting clause of the House bill and to insert the Senate bill as we have perfected it.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska to strike out all after the enacting clause and to insert the Senate bill as perfected.

The motion was agreed to.

The VICE PRESIDENT. The question is, Shall the amendment be engrossed and the bill be read a third time?

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. McNARY. On the passage of the bill I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if he were present he would vote as I intend to vote, and I am, therefore, permitted to vote. I vote "yea."

The roll call was concluded.

Mr. HEBERT. On this vote I am paired with the senior Senator from Illinois [Mr. LEWIS]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. BORAH. Upon this question I have a pair with the senior Senator from New Hampshire [Mr. KEYES], who, if present, would vote "nay." I transfer that pair to the Senator from Massachusetts [Mr. WALSH] and vote "yea." If the Senator from Massachusetts were present, he would vote "yea."

Mr. KENDRICK. I desire to announce that the Senator from New York [Mr. COPELAND] and the Senator from Utah [Mr. KING] are detained on official business and are paired.

I desire further to announce that the Senator from North Carolina [Mr. BAILEY] is necessarily detained.

I also wish to announce the necessary absence of the Senator from Illinois [Mr. LEWIS].

I wish further to announce a general pair between the Senator from Illinois [Mr. DIETERICH] and the Senator from Minnesota [Mr. SCHALL].

Mr. ROBINSON of Arkansas. I wish to announce that the senior Senator from Mississippi [Mr. HARRISON] is necessarily detained on official business.

The result was announced—yeas 63, nays 20, as follows:

YEAS—63

Adams	Clark	La Follette	Reynolds
Ashurst	Connally	Logan	Robinson, Ark.
Bachman	Costigan	Lonerger	Robinson, Ind.
Bankhead	Couzens	Long	Russell
Barkley	Cutting	McAdoo	Sheppard
Black	Dickinson	McCarran	Shipstead
Bone	Dill	McGill	Smith
Borah	Duffy	McKellar	Stelwer
Bratton	Erickson	McNary	Stephens
Brown	Fletcher	Murphy	Thomas, Okla.
Bulkley	Frazier	Neely	Thomas, Utah
Bulow	George	Norbeck	Trammell
Byrd	Glass	Norris	Van Nuys
Byrnes	Hayden	Nye	Wagner
Capper	Johnson	Overton	Wheeler
Caraway	Kendrick	Pope	

NAYS—20

Austin	Fess	Hatfield	Townsend
Barbour	Goldsborough	Kean	Tydings
Carey	Gore	Metcalf	Vandenberg
Coolidge	Hale	Patterson	Walcott
Dale	Hastings	Reed	White

NOT VOTING—12

Bailey	Dieterich	Keyes	Pittman
Copeland	Harrison	King	Schall
Davis	Hebert	Lewis	Walsh

So the bill was passed.

The title was amended so as to read: "A bill to improve the navigability and to provide for the flood control of the Tennessee River, to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes."

The VICE PRESIDENT. Without objection, the Senate bill 1272 will be indefinitely postponed.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate proceed to the consideration of House bill 4589, the District of Columbia appropriation bill.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H.R. 4589) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the formal reading of the bill may be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the first amendment.

The first amendment of the Committee on Appropriations was, on page 2, line 6, before the word "is", to strike out "\$5,700,000" and insert "\$6,250,000", so as to read:

That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1934, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District of Columbia and the United States in the same proportion that each contributed to the activity or source from whence such revenue was derived shall be credited wholly to the District of Columbia, and, in addition, \$6,250,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to be advanced July 1, 1933, and all the remainder out of the combined revenues of the District of Columbia, namely:

The amendment was agreed to.

The next amendment was, under the subhead "Free Public Library", on page 9, line 5, after the name "librarian", to strike out "\$260,000" and insert "\$265,000", so as to read:

For personal services, and for substitutes and other special and temporary services, including extra services on Sundays, holidays, and Saturday half holidays, at the discretion of the librarian, \$265,000.

The amendment was agreed to.

The next amendment was, under the subhead "Register of wills", on page 9, line 25, to increase the appropriation for personal services under the register of wills from \$60,000 to \$63,509.

The amendment was agreed to.

The next amendment was, under the subhead "Gasoline tax, road and street improvements and repairs", on page 19, line 9, before the word "may", to strike out "President" and insert "Commissioners"; and in line 14, after the word "aggregate", to strike out "\$1,040,000" and insert "\$1,500,000", so as to read:

For additional street and road improvements and repairs to aid in the relief of unemployment, to be allotted for such projects and purposes and in such amounts as the Commissioners may approve (including the allocation of additional sums to any or all

of the general items herein chargeable to the gasoline tax fund), there is hereby appropriated out of the gasoline tax fund and to be immediately available, such sums (not to exceed in the aggregate \$1,500,000) as may be deemed surplus in such fund.

The amendment was agreed to.

The next amendment was, on page 19, line 15, after the word "fund", to insert a colon and the following proviso:

Provided, That of said amount the sum of \$575,000 is hereby made available for the construction of a bridge to replace the Calvert Street Bridge over Rock Creek, including necessary changes in water and sewer mains, and including the employment of engineering or other professional services by contract or otherwise, without reference to section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5), or the Classification Act of 1923, as amended, and engineering and incidental expenses, and the Commissioners are authorized to enter into contract or contracts for construction of said bridge at a cost not to exceed \$1,250,000; but no part of said sum shall be available for expenditure in connection with the construction of said Calvert Street Bridge until the Commissioners of the District of Columbia shall have made a restudy and reinvestigation to determine which particular type of bridge is most economical and serviceable, and best suited to the proposed location; and the Commission of Fine Arts shall have approved the type of bridge decided upon, and any street railway company using said bridge shall install thereon, at its own expense, an approved underground system of street-car propulsion and, at its own expense, shall thereafter maintain such underground construction, and bear the cost of surfacing and resurfacing and maintaining in good condition the space between the railway tracks and 2 feet exterior thereto as provided by law, and shall defray the cost of excess construction occasioned by such use including the relocation and construction of closed plow pits at the west approach to the bridge in accordance with plans to be approved by the Commissioners of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 20, line 21, to insert a colon and the following additional proviso:

Provided further, That of said amount of \$1,500,000, the sum of \$45,741 is hereby made available for widening to 73 feet and repaving the roadway of Constitution Avenue NW., North Capitol to First Street, and for widening to 80 feet and repaving the roadway of Constitution Avenue NW., First Street to Second Street, in accordance with plans therefor to be jointly approved by the National Capitol Park and Planning Commission and the Commissioners of the District of Columbia, including the necessary reconstruction, relocation, changes, and adjustments of all water mains, sewers in advance of paving, trees, sidewalks, lamp-posts, fire hydrants or other structures affected, and including personal services and all necessary incidental expenses, and the total cost of said work shall not exceed \$76,235, of which sum not to exceed \$30,494 shall be transferred from and in accordance with the appropriation in the Independent Offices Appropriation Act, 1934, for the construction of the Arlington Memorial Bridge.

The amendment was agreed to.

The next amendment was, on page 23, after line 5, strike out:

No part of the appropriations contained in this act shall be used for the operation of a testing laboratory of the highways department for making tests of materials in connection with any activity of the District government.

The amendment was agreed to.

The next amendment was, under the heading "Collection and disposal of refuse", on page 26, after line 13, to strike out:

No part of the funds appropriated in this act shall be available for the operation of a high-temperature incinerator for the disposal of combustible refuse in the southeast section of the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Public playgrounds", on page 26, line 19, after the word "services", to strike out "\$95,000" and insert "\$97,167", so as to read:

For personal services, \$97,167: *Provided*, That employments hereunder, except directors who shall be employed for 12 months, shall be distributed as to duration in accordance with corresponding employments provided for in the District of Columbia appropriation act for the fiscal year 1924.

The amendment was agreed to.

The next amendment was, on page 27, after line 14, to insert:

Bathing pools: For superintendence, \$510; for temporary services, supplies, and maintenance, \$3,500; for repairs to buildings, pools, and upkeep of grounds, \$1,215; in all, \$5,225.

The amendment was agreed to.

The next amendment was, under the heading "Public schools", on page 30, line 15, after the words "class 12", to strike out "\$5,427,360" and insert "\$5,432,760", so as to read:

For personal services of teachers and librarians in accordance with the act approved June 4, 1924 (43 Stat. pp. 367-375), including for teachers colleges assistant professors in salary class 11, and professors in salary class 12, \$5,432,760: *Provided*, That as teacher vacancies occur during the fiscal year 1934 in grades 1 to 4, inclusive, of the elementary schools, such vacancies may be filled by the assignment of teachers now employed in kindergartens, and teachers employed in kindergartens are hereby made eligible to teach in the said grade.

The amendment was agreed to.

The next amendment was, on page 30, line 20, after the word "grades", to insert a colon and the following additional provisos:

Provided further, That teaching vacancies that occur during the fiscal year 1934 wherever found may be filled by the assignment of teachers of special subjects and teachers not now assigned to classroom instruction, and such teachers are hereby made eligible for such assignment without further examination: *Provided further*, That in the interests of economy the Board of Education may at its discretion during the fiscal year 1934 appoint qualified temporary teachers in public schools of the District of Columbia, notwithstanding the existence of an eligible list of applicants established by examinations: *Provided further*, That in filling all such vacancies teachers now in the schools shall have the preference so far as practicable.

Mr. BRATTON. Mr. President, I desire to offer three amendments to the committee amendment. I have discussed them with the chairman of the subcommittee, the Senator from Oklahoma [Mr. THOMAS]. I desire the three amendments to be considered in the nature of one amendment.

On page 31, in line 5, I move to strike out the word "qualified" and insert the word "as"; in line 6, to strike out the words "notwithstanding the existence of an" and inserting in lieu thereof the words "qualified teachers from the" and in line 10, to strike out the words "so far as practicable."

The VICE PRESIDENT. The amendments to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 31, line 5, it is proposed to strike out the word "qualified" and insert the word "as"; in line 6, to strike out the words "notwithstanding the existence of an" and insert in lieu thereof the words "qualified teachers from the"; and in line 10, to strike out the words "so far as practicable", so as to make the committee amendment read:

Provided further, That teaching vacancies that occur during the fiscal year 1934 wherever found may be filled by the assignment of teachers of special subjects and teachers not now assigned to classroom instruction, and such teachers are hereby made eligible for such assignment without further examination: *Provided further*, That in the interests of economy the Board of Education may at its discretion during the fiscal year 1934 appoint as temporary teachers in public schools of the District of Columbia qualified teachers from the eligible list of applicants established by examinations: *Provided further*, That in filling all such vacancies teachers now in the schools shall have the preference.

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

The next amendment of the Committee on Appropriations was, under the subhead "The deaf, dumb, and blind", on page 33, line 2, after the word "Commissioners", to strike out "\$31,500" and insert "\$32,000", so as to read:

For maintenance and instruction of deaf and dumb persons admitted to the Columbia Institution for the Deaf from the District of Columbia, under section 4864 of the Revised Statutes, and as provided for in the act approved March 1, 1901 (U.S.C., title 24, sec. 238), and under a contract to be entered into with the said institution by the Commissioners, \$32,000.

The amendment was agreed to.

The next amendment was, under the subhead "Americanization work", on page 33, line 19, after the word "schools", to strike out "\$7,500" and insert "\$9,500", so as to read:

For Americanization work and instruction of foreigners of all ages in both day and night classes, and teachers and janitors of Americanization schools may also be teachers and janitors of the day schools, \$9,500.

The amendment was agreed to.

The next amendment was, under the subhead "Furniture", on page 35, line 7, after the figures "\$40,000", to insert "Logan School, \$6,000"; and in line 10, after the words "in all", to strike out "\$57,840" and insert "\$63,840", so as to read:

For completely furnishing and equipping buildings and additions to buildings, as follows: Schools in Foxhall Village, \$3,200; Phelps Vocational School, \$40,000; Logan School, \$6,000; Keene School, \$6,000; Bancroft School, \$5,600; Douglass-Simmons assembly-gymnasium and M Street Junior High School gymnasium, \$3,040; in all, \$63,840, to be immediately available and to continue available until June 30, 1935.

The amendment was agreed to.

The next amendment was, on page 37, after line 7, to insert:

Not to exceed \$50,000 of the unexpended balances of appropriations for buildings and grounds, public schools, contained in the District of Columbia appropriation acts, fiscal years 1932 and 1933, is hereby made immediately available, and shall continue available until June 30, 1934, for the improvement of grounds surrounding public-school buildings, such work to be performed by day labor or otherwise, in the discretion of the Commissioners of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 37, line 21, after the figures "\$325,000", to insert "together with not to exceed \$25,000 of any unexpended balances of appropriations contained in the District of Columbia Appropriation Acts for the fiscal years 1932 and 1933 for 'Buildings and grounds, public schools'", so as to read:

For repairs and improvements to school buildings, repairing and renewing heating, plumbing, and ventilating apparatus, installation and repair of electric equipment, and installation of sanitary drinking fountains, and maintenance of motor trucks, \$325,000, together with not to exceed \$25,000 of any unexpended balances of appropriations contained in the District of Columbia appropriation acts for the fiscal years 1932 and 1933 for "Buildings and grounds, public schools", of which amount \$100,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 38, after line 8, to insert:

BUILDINGS AND GROUNDS

Not to exceed \$876,000 of any unexpended balances of appropriations contained in the District of Columbia appropriation acts for the fiscal years 1932 and 1933 for the Municipal Center is hereby reappropriated and made available for the construction of public-school buildings as follows:

For the erection of an 8-room building on a site already appropriated for in the vicinity of the Logan School, \$95,000;

For the construction of an addition to the Deal Junior High School, including 10 classrooms and 1 gymnasium, \$153,000;

For the construction of an addition to the Browne Junior High School, including 10 classrooms and 1 gymnasium, \$153,000;

For beginning the construction of a senior high school building at Forty-first and Chesapeake Streets NW., in the Reno section, \$475,000, and the Commissioners are authorized to enter into contract or contracts for such building at a cost not to exceed \$1,150,000;

In all, \$876,000, to be immediately available and to be disbursed and accounted for as "Buildings and grounds, public schools", and for that purpose shall constitute one fund and remain available until expended: *Provided*, That no part of this appropriation shall be used for or on account of any school building not herein specified.

The amendment was agreed to.

The next amendment was, under the heading "Metropolitan police", on page 41, line 12, to increase the appropriation for personal services under the Metropolitan police from \$103,000 to \$104,530.

The amendment was agreed to.

The next amendment was, under the heading "Fire department, miscellaneous", on page 44, line 20, after the word "tools", to strike out "\$41,000" and insert "\$43,932", so as to read:

For repairs to apparatus, motor vehicles, and other motor-driven apparatus, fire boat and for new apparatus, new motor vehicles, new appliances, employment of mechanics, helpers, and laborers in the fire department repair shop, and for the purchase of necessary supplies, materials, equipment, and tools, \$43,932: *Provided*, That the Commissioners are authorized, in their discretion, to build or construct, in whole or in part, fire-fighting apparatus in the fire department repair shop.

The amendment was agreed to.

The next amendment was, under the heading "General administration, workhouse and reformatory, District of Columbia," on page 57, line 18, after the figures "\$42,800" to insert:

together with a further sum of not exceeding \$54,000 of the unexpended balance of the appropriation for maintenance, care, and support of inmates, etc., workhouse and reformatory, District of Columbia, contained in the District of Columbia appropriation act for the fiscal year 1932.

The amendment was agreed to.

The next amendment was, under the subhead "Tuberculosis Hospital", on page 60, line 25, after the word "items", to strike out "\$55,000" and insert "\$59,000", so as to read:

For provisions, fuel, forage, harness, and vehicles, and repairs to same, gas, ice, shoes, clothing, dry goods, tailoring, drugs and medical supplies, furniture and bedding, kitchen utensils, medical books, books of reference, and periodicals not to exceed \$200, temporary services not to exceed \$1,000, maintenance of motor truck, and other necessary items, \$59,000.

The amendment was agreed to.

The next amendment was, on page 64, after line 3, to insert:

WAR VETERANS' SERVICE OFFICE

For personal services, without reference to the Classification Act of 1923, as amended, to enable the municipal government to aid and advise war veteran residents of the District of Columbia and their dependents as to their rights and privileges under Federal legislation of which veterans and/or their dependents may be beneficiaries, including assistance in the presentation of claims to the Veterans' Administration or other appropriate Federal agencies, \$5,100, to be expended under the direction of the Commissioners of the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Emergency relief," on page 64, line 24, after the name "District of Columbia", to strike out "\$1,250,000" and insert "\$1,500,000, to be immediately available and to be expended in the discretion of the Commissioners without regard to monthly or other apportionment", so as to read:

For the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by employment and/or direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the Board and without regard to the provisions of any other law, payable from the revenues of the District of Columbia, \$1,500,000, to be immediately available and to be expended in the discretion of the Commissioners without regard to monthly or other apportionment.

The amendment was agreed to.

The next amendment was, under the heading "National Capital Park and Planning Commission", on page 71, after line 15, to strike out:

For reimbursement to the United States in compliance with section 4 of the act approved May 29, 1930 (46 Stat. p. 482), as amended, \$1,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "Washington Aqueduct", on page 75, line 16, before the word "may", to strike out "President" and insert "Commissioners", so as to read:

For additional extension, improvement, and repair of the water distribution system, including necessary mains, machinery, and equipment, to aid in the relief of unemployment and to be allotted for such projects and purposes and in such amounts as the Commissioners may approve (including the allocation of additional sums to any or all of the four immediately preceding items), there is hereby appropriated wholly out of the revenues of the water department such sums (not to exceed in the aggregate \$635,000) as may be deemed surplus in such revenues.

The amendment was agreed to.

The next amendment was, on page 80, after line 10, to strike out:

SEC. 6. No part of the appropriations contained in this act shall be used to pay any increase in the salary of any officer or employee of the District of Columbia by reason of the reallocation of the position of such officer or employee to a higher grade since June 30, 1932, by the Personnel Classification Board or the Civil Service Commission.

The amendment was agreed to.

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The next amendment was, on page 80, line 17, to change the section number from 7 to 6.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. THOMAS of Oklahoma. Mr. President, on behalf of the committee I am authorized and instructed to offer the amendment which I send to the desk and ask to have read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, beginning with line 12, it is proposed to strike out "For personal services, \$38,794, plus so much as may be necessary to compensate the Engineer Commissioner at such rate in grade 8 of the professional and scientific service of the Classification Act of 1923, as amended, as may be determined by the Board of Commissioners" and to insert in lieu thereof the following:

For two Commissioners at \$9,000 each (before the reduction for the fiscal year ending June 30, 1934), and for other personal services; in all, \$40,494, plus so much as may be necessary to compensate the Engineer Commissioner at the rate of \$9,000 per annum (before said reduction).

The amendment was agreed to.

Mr. THOMAS of Oklahoma. On behalf of the committee, I am instructed to offer a second amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 80, after line 83, it is proposed to insert a new section, as follows:

SEC. 7. When specifically recommended by the budget officer of the District of Columbia and approved by the Commissioners of said District, transfers may be made between subheads of appropriations provided in this act for the free Public Library, public playgrounds, public schools (except buildings and grounds and repairs to buildings), health department, and public welfare, respectively: *Provided*, That such transfers under this section shall not be made between appropriations for the several municipal services named, and all transfers, whether approved or contemplated, shall be reported to Congress in the estimates of the District of Columbia for the fiscal year 1935.

The amendment was agreed to.

Mr. BRATTON. Mr. President, on behalf of the committee I am authorized to offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 44, line 4, after the figures "\$1,800,000", it is proposed to insert a colon and the following proviso:

Provided, however, That no officer or member of the fire department of the District of Columbia, payment of whose services shall be made from this or any other appropriation made for like purposes, shall be prohibited from becoming or being a member of any organization so long as such organization does not permit, claim, hold, or use the strike for any purpose whatsoever, notwithstanding anything heretofore to the contrary.

The amendment was agreed to.

Mr. COUZENS. Mr. President, awhile ago I sent to the desk an amendment which I ask to have stated at this time.

The VICE PRESIDENT. The Senator from Michigan offers an amendment, which will be stated.

Mr. COUZENS. While the messenger is getting it I will explain the amendment.

On page 8, I move to strike out the following words on line 14:

Installation and modification of electric traffic lights, signals, and controls.

And then, on line 18, I move to strike out the sum of "\$45,000" and make it "\$10,000."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. COUZENS. Mr. President, the city has gone completely crazy in putting in these electric-light signals. Not only is that the case here in the District but it is spreading all over the Nation. Every village and hamlet is being plastered with these automatic electric signs. In other words, motorists are being taught to rely on signs instead of their brains, and street corners that have been without these signal lights for years are now being plastered all over with a lot of automatic signal lights. From my observation I

think the District of Columbia is entirely surfeited with lights of that sort, and I want them stopped.

That is the purpose of the amendment. I do not object to the other part of the section.

Mr. THOMAS of Oklahoma. Mr. President, this matter was not brought before the committee. However, the amendment, if adopted, will reduce the appropriation by the sum of \$35,000. Inasmuch as the Budget is in its present condition, and inasmuch as this matter was not considered by the committee, I have no objection to the amendment going to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. BLACK. Mr. President, on yesterday I gave notice that it was my intention to offer to this bill an amendment which was sent to the desk and printed. That amendment is intended to be supplementary to the bill which was passed by the Senate with reference to the hours of work.

The original bill passed by the Senate prohibited the shipment in interstate commerce of commodities manufactured in establishments where the employees work more than 5 days in any week, or more than 6 hours in any day. Of course, if we are going to establish a normal working week, we should establish it as nearly universally throughout the country as we can. For that reason, it is my thought that the bill which we passed should be supplemented by providing that the Government itself shall not buy articles or commodities from factories in which the workers are employed more than 5 days per week or 6 hours per day, and that contractors should not purchase, for use in Government buildings, goods that have been manufactured in factories working more than the prescribed time.

This matter was particularly called to my attention by reason of a letter which I received 3 days ago. A man wrote me that he was employed in a factory manufacturing articles for use by the Government at Boulder Dam, and that the employees of that factory are working 13 hours per day, 7 days per week, in a city where 30 percent of the population is being fed today by the Federal Government!

In other words, in that city the Government is buying articles manufactured by men working 13 hours a day, 7 days per week, and at the same time the Government is digging down into the Treasury and feeding more than 30 percent of the population! The same thing is true with reference to a great many other cities.

Mr. President, it is my intention to call this amendment first to the attention of the House Committee on Labor, which is considering the bill which the Senate passed. I have reason to believe that the committee will probably report out the bill about next Monday; at least, that is the information which has been given out. I hope to present this matter to them, in order that it may be considered by them as a supplement to the original bill. I wish it distinctly understood that, insofar as I am concerned, I do not believe any program passed at this extra session of Congress which fails to provide for putting people to work will relieve the situation. I do not believe any program will be adequate which fails to recognize the fact that in order to put people to work there must be some kind of a regulation of the hours of labor. I believe that if that is ignored, we cannot put back to work any reasonable proportion of the 13,000,000 unemployed.

Therefore, if by reason of lack of opportunity or time, the House does not act upon the bill which the Senate passed, it is my intention to offer at a later date, on some bill that the House has acted upon, the 30 hour bill with or without these amendments, as the Senate may determine.

With this statement, I desire to say that I shall not offer the amendment to this particular bill, with the hope that it may be adopted in the House.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives upon the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from Oklahoma.

The motion was agreed to; and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. GLASS, Mr. KING, Mr. NYE, and Mr. KEYES conferees on the part of the Senate.

Mr. BRATTON. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. William Green, president of the American Federation of Labor, relating to the amendment at pages 30 and 31 of the bill; also, a letter from Mr. Green relating to the amendment just adopted, appearing at page 44 of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters are as follows:

WASHINGTON, D.C., May 1, 1933.

Hon. SAM G. BRATTON,

Senate Office Building, Washington, D.C.

DEAR SIR: The appropriation bill for the District of Columbia, as reported to the Senate, contains an amendment on page 31 authorizing the appointment of "qualified temporary teachers, notwithstanding the eligible list." The word "qualified" obviously has little meaning if the statute destroys the eligibility requirements for teachers. The amendment would, in practice, subject the children of the public schools of Washington to the care of less qualified teachers than they could have were this amendment not enacted.

The amendment further provides that in filling vacancies in the system, teachers now in the system shall have the preference "so far as practicable." This provision would permit the appointment of new teachers possessing less than the legal eligibility requirements in place of retaining in the system legally qualified teachers when such changes would appear to be more practicable. I do not at this time raise the objection to the appointment of temporary teachers, as I am cognizant of the fact that the appointment of a temporary teacher saves the Government some money, as the temporary teacher cannot be paid longevity for teaching service before his appointment to the local system. However, if temporary teachers were appointed from the eligible list the saving would likewise be effected, and the children of Washington would have the privilege of being taught by highly qualified teachers. To correct the situation this provision would effect, the following amendment will be offered from the floor. Page 31, lines 5, 6, 7, to be changed to read as follows:

"The fiscal year 1934 appoint as temporary teachers in the public schools of the District of Columbia, qualified teachers from the eligible list."

Line 10, strike out the words "so far as practicable."

That the Senate would needlessly and ruthlessly seek to destroy the standards of teaching in the schools of the Nation's Capital as the proposed amendment would do, is, to labor, unthinkable.

I trust that we may have your active support for these suggested changes to be offered to this bill when it is up before the Senate for consideration.

Very truly yours,

WM. GREEN,

President American Federation of Labor.

WASHINGTON, D.C., May 1, 1933.

Hon. SAMUEL BRATTON,

United States Senate, Washington, D.C.

MY DEAR SENATOR BRATTON: The amendment which you plan to introduce to the District of Columbia appropriations bill, which provides that the fire fighters of the District of Columbia may become members of the International Association of Fire Fighters, meets with the hearty approval of the officers and members of the American Federation of Labor. The American Federation of Labor holds that every worker, whether employed by the Government or in private industry, should be permitted to exercise the right to unite and organize for mutual helpfulness and for the purpose of improving their social, economic, and industrial status. We regard the exercise of the right of all working people to organize as a vital, cardinal right which should not be interfered with.

The amendment which I understand you propose to offer reads as follows:

"Provided, however, That no officer or member of the fire department of the District of Columbia, payment for whose services shall be made from this or any other appropriation made for like purposes, shall be prohibited from becoming or being a member of any organization so long as such organization does not permit, claim, hold, or use the strike for any purpose whatsoever, notwithstanding anything heretofore to the contrary."

Such an amendment serves two very distinct and definite purposes. First, it guarantees the right of employees of the fire department of the District of Columbia to organize if they wish to do so. Second, it amply protects the District of Columbia

against interruption in service and eliminates the threat of a resort to strike as a means of settling any dispute over wages or conditions of employment which may arise. Surely, with such ample protection and with such established guaranties there can be no objection on the part of Congress or of the people to the exercise of the right of the firemen of the District of Columbia to organize for mutual self-helpfulness.

I trust that you and the Members of the Congress will share with me this point of view. I strongly urge the adoption of the amendment herein referred to.

Very sincerely yours,

WM. GREEN,
President American Federation of Labor.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEES

The VICE PRESIDENT. Reports of committees are in order.

Mr. ROBINSON of Arkansas. From the Committee on Foreign Relations I submit reports on five nominations and ask that they may go to the calendar.

The VICE PRESIDENT. The nominations will be received and placed on the Executive Calendar.

FEDERAL FARM BOARD

Mr. SMITH. From the Committee on Agriculture and Forestry I report back favorably the nomination of Francis Winfred Peck, of Minnesota, to be a member of the Federal Farm Board for the unexpired portion of the term of 6 years from June 15, 1930. On account of unavoidable delay this nomination has not been reported before and Mr. Morgenthau has asked that, if possible, it be considered this evening.

The VICE PRESIDENT. Is there objection to the present consideration of the nomination just reported by the Senator from South Carolina?

Mr. McNARY. Has the nomination been referred to the committee?

Mr. SMITH. It has. The Senator from Oregon concurred in it.

Mr. McNARY. It is not on the calendar, is it?

Mr. SMITH. It is not. It is to fill out an unexpired term. I did not have a chance to call the committee together, and I frankly say that they were polled, and they were practically unanimous. As I stated, Mr. Morgenthau has asked that action be taken at this time on account of the pressure of business.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina for immediate consideration? The Chair hears none, and, without objection, the nomination is confirmed.

INTERIOR DEPARTMENT

Mr. KENDRICK. From the Committee on Public Lands and Surveys I report back favorably the nomination of Oscar L. Chapman, of Colorado, to be Assistant Secretary of the Interior, vice John H. Edwards. I ask unanimous consent for the immediate consideration of the nomination.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming for immediate consideration? The Chair hears none, and, without objection, the nomination is confirmed.

BOARD OF TAX APPEALS

Mr. HARRISON. The nomination of Jed C. Adams, of Texas, to be a member of the Board of Tax Appeals for the unexpired portion of a term of 12 years from June 2, 1932, was favorably reported earlier in the day, as in executive session. I should like to have it considered at this time.

Mr. COUZENS. That nomination ought to go over. It is not on the calendar.

Mr. HARRISON subsequently said: Mr. President, I hope there will be no objection to my request for unanimous consent for the confirmation of the nomination of Mr. Adams.

The VICE PRESIDENT. The Senator from Michigan [Mr. COUZENS] asked that it go over.

Mr. HARRISON. I do not think he has any objection.

Mr. COUZENS. Mr. President, I understood that that nomination was reported from the Committee on Finance. I did not recall, and I do not now recall, that it was taken up in the committee meeting this morning. I have since been informed that the committee was polled, although I was not polled. I should like to have some information as to who the gentleman is and what the office is.

Mr. HARRISON. The nomination is for membership on the Board of Tax Appeals. A member of the Board died the other day, and this nomination is to fill the vacancy. I may say that the gentleman is from Texas and is quite a good friend of the Vice President.

Mr. CONNALLY. If the Senator from Michigan desires any information about the nominee, I shall be glad to give it to him.

The VICE PRESIDENT. Is there objection to the present consideration of the nomination? The Chair hears none; and, without objection, the nomination is confirmed.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY—MINORITY VIEWS (PT. 2, EX. REPT. NO. 1)

Mr. CLARK. Mr. President, on behalf of the senior Senator from Illinois [Mr. LEWIS], who is unavoidably detained from the Senate on account of illness, I ask leave to submit the views of the minority of the Committee on Foreign Relations on the St. Lawrence deep waterway treaty, and ask that they may be printed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the minority views will be received and printed.

Are there further reports of committees? If not, the calendar is in order.

DEPARTMENT OF LABOR

The Chief Clerk read the nomination of Charles Wyzanski, Jr., of Massachusetts, to be Solicitor of Labor, vice Theodore G. Risley.

Mr. McCARRAN. Mr. President, I ask unanimous consent that this nomination be recommitted to the Committee on the Judiciary.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada? The Chair hears none, and it is so ordered.

DEPARTMENT OF THE TREASURY

The Chief Clerk read the nomination of J. F. T. O'Connor, of California, to be Comptroller of the Currency, to fill an existing vacancy.

Mr. McNARY. Mr. President, this nomination has just reached the calendar. Several Members have stated to me that they would like further time to consider the qualifications of the nominee. For that reason I ask that it may go over today.

Mr. HARRISON. Mr. President, can we not fix a definite time for action on this nomination? It is a very important one.

Mr. McNARY. Mr. President, I assure the Senator that there will be no purpose to delay consideration, but I could not specify a date at this time.

Mr. HARRISON. Very well.

The VICE PRESIDENT. The nomination will go over.

DEPARTMENT OF JUSTICE

The Chief Clerk read the nomination of James Crawford Biggs, of North Carolina, to be Solicitor General, vice Thomas D. Thacher.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 45 minutes p.m.) the Senate took a recess until tomorrow, Thursday, May 4, 1933, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 3 (legislative day of May 1), 1933

ASSISTANT SECRETARY OF THE INTERIOR

Oscar L. Chapman to be Assistant Secretary of the Interior.

SOLICITOR GENERAL

James Crawford Biggs to be Solicitor General.

MEMBER OF THE BOARD OF TAX APPEALS

Jed C. Adams to be a member of the Board of Tax Appeals.

MEMBER OF THE FEDERAL FARM BOARD

Francis Winfred Peck to be a member of the Federal Farm Board.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 3, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Our Lord and our God, in these silent moments dedicated to prayer, enable us to listen to the voice of our deepest natures and know that the vast reward of a godly life is in the soul itself. Here we attain the gladness and freedom of duty, and work and sacrifice accomplish their best. In our intercourse with one another in this Chamber may we proceed on the grounds of mutual faith and hope, forgetting ourselves in the largest service we owe our beloved country. Oh, cast Thy peace into the tumultuous life of this present day. Overarch our restlessness with calm, and in the thought of the eternal may we find guidance and wisdom in the pressing problems of these hours. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H.R. 3835) entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, requests a conference with the House thereon, and appoints Mr. SMITH, Mr. FLETCHER, Mr. THOMAS of Oklahoma, Mr. WAGNER, Mr. McNARY, and Mr. WALCOTT to be the conferees on the part of the Senate.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 7. An act providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; to the Committee on Mines and Mining.

S. 157. An act to amend an act approved March 4, 1929 (45 Stat. 1548), entitled "An act to supplement the last three paragraphs of section 5 of the act of March 4, 1915 (38 Stat. 1161), as amended by the act of March 21, 1918 (40 Stat. 458)"; to the Committee on Public Lands.

S. 166. An act for the relief of Robert J. Foster; to the Committee on Military Affairs.

S. 248. An act for the relief of Rolando B. Moffett; to the Committee on Military Affairs.

S. 313. An act to amend section 5 of the act approved July 10, 1890 (28 Stat. 664), relating to the admission into the Union of the State of Wyoming; to the Committee on the Territories.

S. 381. An act for the relief of Samson Davis; to the Committee on Military Affairs.

S. 422. An act for the relief of Albert A. Marquardt; to the Committee on Military Affairs.

S. 423. An act for the relief of Michael J. Moran; to the Committee on Military Affairs.

S. 531. An act for the relief of Dan Davis; to the Committee on Military Affairs.

S. 558. An act for the relief of Beryl M. McHam; to the Committee on Military Affairs.

S. 593. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act; to the Committee on Military Affairs.

S. 604. An act amending section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes", approved December 29, 1916 (ch. 9, par. 1, 39 Stat. 862), and as amended February 28, 1931 (ch. 328, 46 Stat. 1454); to the Committee on the Public Lands.

S. 707. An act for the relief of James J. Jordan; to the Committee on Military Affairs.

S. 743. An act to amend the act approved June 30, 1932, entitled "An act providing for the transfer of the duties authorized and authority conferred by law upon the Board of Road Commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes"; to the Committee on the Territories.

S. 753. An act to confer the degree of bachelor of science upon graduates of the Naval Academy; to the Committee on Naval Affairs.

S. 772. An act for the relief of Robert J. Smith; to the Committee on Military Affairs.

S. 792. An act for the relief of Curtis Jett; to the Committee on Military Affairs.

S. 804. An act to authorize the Secretary of War to grant a right of way to the Dalles Bridge Co.; to the Committee on Interstate and Foreign Commerce.

S. 1131. An act to amend the probation law; to the Committee on the Judiciary.

S. 1204. An act for the relief of William Burke; to the Committee on Military Affairs.

S. 1278. An act to amend an act (Public, No. 431, 72d Cong.) to identify The Dalles Bridge Co.; to the Committee on Interstate and Foreign Commerce.

S. 1287. An act for the relief of Leonard Theodore Boice; to the Committee on Military Affairs.

S. 1288. An act for the relief of Otto Christian; to the Committee on Military Affairs.

S. 1415. An act to amend sections 5200 and 5202 of the Revised Statutes, as amended, to remove the limitations on national banks in certain cases; to the Committee on Banking and Currency.

H. NEWLIN MEGILL

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., May 2, 1933.

HON. HENRY T. RAINY,

Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Desiring to be temporarily absent from my office, I hereby designate Mr. H. Newlin Megill, an official in my office, to sign any and all papers for me which he would be authorized to sign by virtue of this designation and of clause 4, rule III of the House.

Yours respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

FARM RELIEF

The SPEAKER. The question is on agreeing to House Resolution 124. Under the rule the previous question is ordered.

Mr. SNELL. Mr. Speaker, on this resolution I should like a division of the resolution.

The SPEAKER. The gentleman will indicate the division desired.

Mr. SNELL. I would request a division as follows:

The part of the resolution down to and including the language "numbered 1 to 84, inclusive, be, and the same are hereby, disagreed to" will be one proposition, and the language "that Senate amendment numbered 85 be, and the same is hereby, concurred in" will be the second proposition.

The SPEAKER. The Clerk will report the first part of the resolution as indicated by the gentleman from New York.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution the bill H.R. 3835, with Senate amendments thereto, be, and the same is hereby, taken from the Speaker's table; that all points of order against said bill or Senate amendments thereto shall be considered as waived; that Senate amendments numbered 1 to 84, inclusive, be, and the same are hereby, disagreed to.

The question was taken; and the first part of the resolution was agreed to.

The SPEAKER. The Clerk will report the remaining part of the resolution.

The Clerk read as follows:

That Senate amendment no. 85 be, and the same is hereby, concurred in; that the conference requested by the Senate on the disagreeing votes of the two Houses be, and the same is hereby, agreed to.

Mr. SNELL. Mr. Speaker, on this part of the resolution I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 307, nays 86, not voting 39, as follows:

[Roll No. 29]

YEAS—307

Abernethy	Darden	Jeffers	O'Connor
Adair	Dear	Jenckes	O'Malley
Adams	Deen	Johnson, Minn.	Oliver, Ala.
Allgood	Delaney	Johnson, Okla.	Oliver, N.Y.
Almon	DeRouen	Johnson, Tex.	Owen
Andrews, N.Y.	Dickinson	Jones	Palmisano
Arens	Dickstein	Keller	Parker, Ga.
Arnold	Dies	Kelly, Ill.	Parks
Auf der Heide	Disney	Kelly, Pa.	Parsons
Ayers, Mont.	Dobbins	Kennedy, Md.	Patman
Ayres, Kans.	Dockweiler	Kenney	Peavey
Bailey	Dondero	Kerr	Peterson
Beam	Doughton	Kleberg	Pettengill
Beiter	Douglass	Kloeb	Peyser
Berlin	Doutrich	Kniffin	Polk
Biermann	Dowell	Knutson	Pou
Bland	Doxey	Kocialkowski	Prall
Bloom	Driver	Kopplemann	Ragon
Boehne	Duffey	Kramer	Ramsay
Bolleau	Duncan, Mo.	Lambertson	Ramspeck
Poland	Dunn	Lambeth	Randolph
Boylan	Durgan, Ind.	Lamneck	Rankin
Brennan	Eagle	Lanham	Reilly
Brooks	Eicher	Lanzetta	Richards
Brown, Ky.	Elzey, Miss.	Larrabee	Robertson
Brunner	Faddis	Lee, Mo.	Rogers, N.H.
Buchanan	Farley	Lehr	Rogers, Okla.
Buck	Fitzgibbons	Lemke	Romjue
Bulwinkle	Fitzpatrick	Lesinski	Rudd
Burch	Flannagan	Lewis, Colo.	Ruffin
Burke, Calif.	Fletcher	Lewis, Md.	Sabath
Burke, Nebr.	Focht	Lindsay	Sanders
Burnham	Ford	Lloyd	Sandlin
Busby	Foulkes	Lozier	Schaefer
Byrns	Frear	Ludlow	Schuetz
Cady	Fuller	Lundeen	Schulte
Caldwell	Fulmer	McCarthy	Sears
Cannon, Mo.	Gasque	McClintic	Secrest
Cannon, Wis.	Gavagan	McCormack	Shallenberger
Carden	Gilchrist	McDuffie	Shannon
Carley	Gillespie	McFarlane	Shoemaker
Carpenter, Kans.	Gillette	McGrath	Sirovich
Carpenter, Nebr.	Glover	McGugin	Sisson
Carter, Wyo.	Goldsborough	McKeown	Smith, Va.
Cartwright	Granfield	McLeod	Smith, Wash.
Cary	Gray	McMillan	Smith, W.Va.
Castellow	Green	McReynolds	Snyder
Celler	Greenwood	McSwain	Somers, N.Y.
Chapman	Gregory	Major	Spence
Christianson	Griswold	Maloney, Conn.	Steagall
Church	Guyer	Maloney, La.	Strong, Tex.
Clark, N.C.	Haines	Mansfield	Stubbs
Cochran, Mo.	Hancock, N.C.	Marland	Studley
Coffin	Hart	Martin, Colo.	Sullivan
Colden	Harter	Martin, Oreg.	Sumners, Tex.
Cole	Hastings	May	Sutphin
Collins, Calif.	Healey	Mead	Swank
Collins, Miss.	Henney	Meeks	Sweeney
Colmer	Hildebrandt	Miller	Tarver
Condon	Hill, Ala.	Milligan	Taylor, Colo.
Cooper, Tenn.	Hill, Knute	Mitchell	Taylor, S.C.
Corning	Hill, Sam B.	Monaghan	Taylor, Tenn.
Cox	Holdale	Montet	Terrell
Cravens	Hope	Moran	Thom
Crosby	Honor	Morehead	Thomason, Tex.
Cross	Howard	Muldowney	Thompson, Ill.
Crosser	Hughes	Musselwhite	Thurston
Crowe	Imhoff	Nesbit	Truax
Cullen	Jacobsen	Norton	Turner
Cummings	James	O'Connell	Umstead

Utterback
Vinson, Ga.
Vinson, Ky.
Wallgren
Walter
Warren
Wearin

Weaver
Weldeman
Welch
Werner
West, Ohio
West, Tex.
White

Whittington
Wilcox
Willford
Williams
Wilson
Withrow
Wolfenden

Wolverton
Wood, Mo.
Woodruff
Woodrum
Young
The Speaker

NAYS—86

Allen
Andrew, Mass.
Bacharach
Bacon
Bakewell
Beck
Beedy
Black
Blanchard
Bolton
Britten
Brumm
Carter, Calif.
Chase
Claiborne
Clarke, N.Y.
Cochran, Pa.
Connery
Connolly
Cooper, Ohio
Crowther
Darrow

De Priest
Dirksen
Ditter
Drewry
Eaton
Edmonds
Eltse, Calif.
Englebright
Evans
Fish
Foss
Gibson
Goodwin
Goss
Hancock, N.Y.
Hartley
Hess
Higgins
Hoepfel
Hollister
Holmes
Hooper

Huddleston
Jenkins
Kahn
Kinzer
Kurtz
Lehlbach
Luce
McFadden
McLean
Mapes
Marshall
Martin, Mass.
Merritt
Millard
Mott
Moynihan
Parker, N.Y.
Powers
Ransley
Reece
Reid, Ill.
Rich

Richardson
Rogers, Mass.
Seger
Simpson
Snell
Stalker
Stokes
Strong, Pa.
Swick
Taber
Tinkham
Tobey
Traeger
Treadway
Turpin
Wadsworth
Watson
Whitley
Wigglesworth
Wolcott

NOT VOTING—39

Bankhead
Blanton
Brand
Brown, Mich.
Browning
Buckbee
Cavicchia
Chavez
Crump
Culkin

Dingell
Fernandez
Fiesinger
Gambrill
Gifford
Griffin
Hamilton
Harlan
Johnson, W.Va.
Kee

Kemp
Kennedy, N.Y.
Kvale
Lea, Calif.
Montague
Murdock
O'Brien
Perkins
Pierce
Rayburn

Reed, N.Y.
Robinson
Sadowski
Scrugham
Sinclair
Underwood
Waldron
Wood, Ga.
Zioncheck

So the second part of the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Bankhead (for) with Mr. Reed of New York (against).
Mr. O'Brien (for) with Mr. Cavicchia (against).
Mr. Kennedy of New York (for) with Mr. Waldron (against).
Mr. Sinclair (for) with Mr. Culkin (against).
Mr. Harlan (for) with Mr. Perkins (against).

Until further notice:

Mr. Blanton with Mr. Gifford.
Mr. Hamilton with Mr. Buckbee.
Mr. Zioncheck with Mr. Kvale.

Mr. BYRNS. Mr. Speaker, the following Members are unavoidably absent, but if present they would vote "aye": MESSRS. MONTAGUE, FERNANDEZ, GAMBRILL, PIERCE, SADOWSKY, UNDERWOOD, BROWN of Michigan, BROWNING, KEE, DINGELL, FIESINGER, KEMP, WOOD of Georgia, CRUMP, RAYBURN, JOHNSON of West Virginia, GRIFFIN, CHAVEZ, BRAND, SCRUGHAM, MURDOCK, ROBINSON, and Lea of California.

The result of the vote was announced as above recorded.

On motion of Mr. Pou, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

The SPEAKER appointed the following conferees: Messrs. JONES, FULMER, DOXEY, CLARKE of New York, and HOPE.

COMMITTEE ON RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors be permitted to hold hearings today and tomorrow during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

RELIEF OF HARDSHIP AND SUFFERING CAUSED BY UNEMPLOYMENT

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4606), to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

Mr. SNELL. Mr. Speaker, reserving the right to object, is this the \$500,000,000 relief bill?

Mr. STEAGALL. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair

hears none, and appoints the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, and LUCE.

AMENDING CLAUSE 6, OF RULE XVI

Mr. POU. Mr. Speaker, I call up House Resolution 102 from the Committee on Rules.

The Clerk read the resolution, as follows:

House Resolution 102

Resolved, That upon the adoption of this resolution clause 6 of rule XVI be, and the same is hereby, amended to read as follows:

"On the demand of any Member, before the question is put, a question shall be divided if it includes propositions so distinct in substance that one being taken away a substantive proposition shall remain: *Provided*, That any motion or resolution to elect members or any portion of the members of the standing committees of the House, and the joint standing committees shall not be divisible, nor shall any resolution or order reported by the Committee on Rules, providing a special order of business, be divisible."

Mr. POU. Mr. Speaker, I yield one half of the hour to the gentleman from Pennsylvania [Mr. RANSLEY]. I do not know whether this side will take half an hour or not. I yield myself 10 minutes.

Mr. Speaker, what this resolution accomplishes may be stated in a very few words. It prevents the division of a report from the Committee on Rules.

According to my recollection, until some 20 years ago it was very seldom the practice of the House to divide a report from the Committee on Rules. Beginning with the administration of Speaker Henderson and continuing through administrations that followed, the practice has grown. I believe it is contrary to good procedure and takes unnecessary time.

Mr. Speaker, the Committee on Rules fixes the program of the House, within certain limits of course. It has frequently been called the political committee of the House, and I submit to the membership on both sides of the House that whether one party is in power or whether another party is in power, a report from the Committee on Rules fixing the order of business ought not to be divisible, and that is all this resolution does.

The Committee on Rules makes a report and proposes a certain order of business. Somebody discovers that it may include two substantive propositions, and the result is two roll calls are required.

We have seen the political pendulum swing very far both ways. It has gone quite far your way and quite far our way. I submit to the membership of this House that in the interest of orderly procedure—and God knows I am not merely seeking more power for the Committee on Rules, a thing I have never done since I have served on the committee—but I do submit regardless of which party is in power that the order of business reported by the Committee on Rules ought not to be subjected to division, and that is all this rule does.

Mr. SNELL. Will the gentleman yield?

Mr. POU. I yield.

Mr. SNELL. I have never found any fault with the Committee on Rules, whether I was in the majority or the minority. I am willing to submit to it in the small minority; but the gentleman must admit that the change he proposes does to a certain extent infringe the rights of every individual Member.

Mr. POU. I say it ought to be done whether my party is in power or your party is in power.

Mr. SNELL. I will not argue that with the gentleman, but I should like to ask him this question. Is this in accordance with the statement made by the Democrats at the beginning of the Seventy-second Congress, when you told the House how liberal the Democratic Party was going to be in protecting the rights of Members?

Mr. POU. I think it is in accordance with that statement. I do not think there is any inconsistency in it. This takes away no power so far as the individual Member is concerned, except he cannot ask for a separate vote. It does curtail the power of the individual Member to that extent. I submit to my beloved friend from New York—and I emphasize the word "beloved" because he knows that for him personally I have genuine affection—

that in our efforts here to blaze the roadway to a new and better day it is a little out of place to be always injecting politics. I submit that the country is not in a mood to tolerate very much longer the repeated injection of politics, when the membership on both sides of the aisle is trying to cooperate and travel along a pathway that will bring us into the sunlight of prosperity.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. POU. Yes.

Mr. SNELL. Simply to say that I as an individual or the Republican Party as a whole have never made a campaign before the people against the rules of the House, while the Democrats have made the liberalization of the rules as a campaign issue, and when you turn directly around I think I have the right in a general way to call the attention of the country to how you have changed your position when placed in the majority.

Mr. POU. Mr. Speaker, my friend has stated his position, and I have stated what I believe to be the position of the majority. We are doing what we believe is necessary to assist in carrying out a great program for the rehabilitation of this Nation, and I believe, as I said in the beginning, that the resolution that has been reported will make for orderly procedure and will not curtail the legislative liberty of the individual Member. I reserve the remainder of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, the practice has obtained here in this House from the very beginning, with reference to reports from the Committee on Rules, as well as the reports from any other committee, to call for a division of a subject containing several propositions not interrelated. The purpose of that practice was most graphically illustrated a few moments ago when, upon the request of the gentleman from New York [Mr. SNELL], House Resolution 124 was divided and the two separate and distinct propositions contained therein were voted upon separately. That has been the practice of this House from the very beginning. That resolution contained two distinct propositions. One proposition was to disagree to and send to conference 84 amendments of the Senate dealing with the farm-relief portion of the bill in question. The other proposition was to agree to amendment no. 85, which was the provision looking to the inflation of our currency—two absolutely separate propositions. A Member might support one and not the other, and in accordance with the wise rules of the House any Member had the right up to the time when we pass this resolution to demand such a division. It is the greatest protection of the individual Member and the greatest protection of the minority in our rules at the present time. What wrong is there about a man who wants to further farm relief amendments of the Senate having the right to vote "yes" on them, and if he is not in sympathy with the inflation provisions, having the right to vote "no" on them?

But under this proposition, if he wants to help the farm provisions along on the one hand, he has also to vote for a subject that has nothing to do with it, and about which he has a different opinion from the proponents of the resolution. Why is it not right to divide these questions, including resolutions coming from the Committee on Rules? The gentleman from North Carolina [Mr. POU] said that "recently" the practice had sprung up of embracing in the divisibility rule resolutions reported by the Committee on Rules. I do not believe the gentleman can find a precedent in the entire history of the House but that says that a rule is just as divisible as any other proposition brought up for consideration of the Membership of the House. For that reason I say that this is putting a yoke, tying a collar around the necks of the individual Members, something which has never before been attempted in the history of the House. This goes away beyond any gag rule. No matter how gagging a rule may be brought in here by the Committee on Rules, if it contains separate propositions, we should have the right to vote separately upon them, and this proposition takes the last vestige of independence from us. It is thoroughly vicious, it is drastic, it is taking from the Membership

of the House the last right to give expression to their views, and to voice here the opinions and views of the constituents they represent.

Mr. POUL. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, I hope this resolution will be adopted. It seems to me, as was said by the gentleman from North Carolina [Mr. POW], it is necessary in the interest of the proper procedure of the House. I understand, as gentlemen understand, that these rules are reported with reference to bills pending before the Committee on Rules, with a certain plan of procedure, and I can well understand, where one proposition is voted out and others left in it might result in confusion and destroy the whole purpose of the rule. It seems to me this report made by the Committee on Rules providing that there shall be no division with reference to any report made by that standing committee is not only wise but necessary in order to carry out its recommendation to the House. After all, when the rule comes before the House, it is a question with the House as to whether or not it will be willing to adopt it or change it. I repeat, I can plainly see where in some cases occasion may arise when some portion of the rule will be stricken out and leave in some provision without any reference to what may have been done or may come after.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. McFARLANE. What is the necessity for the change at this time? Tell us what you have in mind?

Mr. BYRNS. I have nothing in mind except, as I stated, that I believe it is necessary to proper procedure in this House, and I agree with the gentleman from North Carolina that I think it ought to be adopted without reference to politics, no matter what party is in power, because, as I said a moment ago, I can see the possibility when a rule is presented here and when a motion is made for a division that the House might strike out some provision in the rule reported which would destroy the purpose of the rule and without which the rule would not have been reported. I therefore think that in the interest of good procedure this resolution should be adopted.

Mr. WARREN. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WARREN. Did not exactly that same thing occur in the economy bill last May?

Mr. BYRNS. Exactly. It is to avoid just such a situation as occurred in that bill that this is being done.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MARTIN of Massachusetts. This rule was reported about 20 days ago. Why was it held until just before this appropriation bill came up? Is there any significance in that?

Mr. BYRNS. I do not think there is any particular reason for that. It has been on the calendar for that time and could be called up at any time. I do know that in face of the fact that the gentleman from New York asked for a division a moment ago the gentleman from North Carolina [Mr. POW] refrained from proposing it in order to permit you to have that division. So there was no purpose in holding it back until this time. The gentleman knows there have come from his committee many rules which have been held on the calendar for a considerable length of time before they were taken up for consideration.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. CLARKE of New York. Would the gentleman mind if we put on an amendment providing that no Chairman of the Committee on Rules should be allowed to carry a rule in his pocket for twenty-odd days? Would the gentleman be willing to have that amendment incorporated in this resolution?

Mr. BYRNS. Well, I do not exactly understand the query of the gentleman.

Mr. POUL. Under the rules now that cannot be done.

Mr. CLARKE of New York. This very rule we are now discussing has been carried around by the chairman in his pocket for the Lord knows how many weeks, and only when an emergency arose was it necessary to bring it in, when you got afraid of your own Members running away with your proposition and you wanted to ram it down their throats and prevent them from voicing their protests.

Mr. BYRNS. It has been on the calendar and not in the pocket of the chairman. Now, let us be frank about the matter. The President has recommended as an amendment to the appropriation bill certain legislation. It is coming before this House. It is not a political matter, but it is in the interest of economy. The purpose of the gentleman's party is to demand a division and possibly defeat some of that legislation.

Mr. CLARKE of New York. In the depth of his heart the gentleman knows it is a political proposition.

Mr. BYRNS. I know nothing of the sort.

Mr. CLARKE of New York. With a two-thirds majority in this House, you are trying to jam this gag rule down Democratic throats, and it is an outrage on them, as well as on us Republicans, who do not like gag rules.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, I am opposed to this rule. There have been two very illuminating discussions of the reasons for this rule, and both of those discussions were made by leading Democrats. In the Seventy-second Congress, Mr. CANNON of Missouri discussed at length the reasons for this rule at the time he invoked it. He pointed out that the reason for the rule was the protection of the minority. At one place the gentleman said:

It is a right which has come down to us from the First Congress, and when properly invoked has never been denied from that time to this.

Speaker Garner sustained Mr. CANNON's question for a division and overruled a point of order made against it.

In the very able and liberal discussion of the rule which Mr. CANNON made on April 27, 1932, he referred to a previous occasion when this rule was discussed. Mr. Fitzgerald, Democratic Chairman of the Appropriations Committee, asked for the division of a rule that was prepared by Mr. Cannon, the Speaker, who was also a member of the Rules Committee, with Mr. Dalzell, and Mr. John Sharp Williams, the only minority member. Mr. Fitzgerald again pointed out that this rule was in the interests of the protection of the minority.

"Under this rule", he said, "which the Committee on Rules has not yet abrogated, a Member of the House is entitled to demand, before the question is put, that a separate vote be taken upon each substantive proposition in this resolution. Since the majority has exercised the power under the rules of the House to strip the minority of all its rights, some of the minority will insist upon the few rights that are still left under the rules for the rest of this session." [Loud applause on the Democratic side.]

I do not hear any Democratic applause today.

Mr. LEHLBACH. Will the gentleman yield right there?

Mr. BACON. Gladly.

Mr. LEHLBACH. And that was in 1908?

Mr. BACON. That was in 1908.

Mr. LEHLBACH. When Speaker Cannon was vested with all the powers that the Speakers in those times exercised, when he was known throughout the country as a czar, and when he and the gentleman from Pennsylvania, Mr. Dalzell, ruled this House with an iron hand, and yet "Czar" Cannon and Dalzell would not take from the minority the right to divide a rule coming from the Committee on Rules?

Mr. BACON. That was also carefully pointed out by Mr. CANNON in 1932, in discussing the fight that Mr. Fitzgerald made for the rights of the minority when he said:

In this connection it may be recalled that the Committee on Rules at that time consisted of but three members—Mr. Dalzell, of Pennsylvania; Mr. Speaker Cannon, of Illinois; and Mr. John Sharp Williams, of Mississippi. Speaker Cannon was at that time at the zenith of his power. His control of the legislative program

of the House was absolute and undisputed. He was referred to in every newspaper as "the czar."

He had personally supervised the drafting of this rule. But when Mr. Fitzgerald demanded a separate vote on 1 of the 5 propositions carried by the rule the request was so obviously within his rights under the section of the rules of the House which the Speaker had just read that, although it was vigorously objected to by Mr. Dalzell and other parliamentarians on the majority side, Speaker Cannon held that he was entitled to a separate vote upon that one clause, and put the question.

As one member of the minority, I protest once more at the gag which the majority is placing upon the minority. They are changing a rule that is as old as Congress, a rule that Speaker Reed and Speaker Cannon never dared suggest changing. Why should the Democrats wish to trample on the rights of the minority, rights affirmed and concurred in for 72 Congress? Is it because the Democratic leadership do not trust their own huge majority of 200? Do they fear their ability to lead? I for one oppose this drastic rule.

I rest my case on two very liberal Democrats of the past, particularly Mr. Fitzgerald, of New York, a very noted chairman of the Committee on Appropriations. [Applause.]

Mr. LEHLBACH. Mr. Speaker, I yield 15 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, the concluding remarks of the gentleman from North Carolina call for a few words. I shall not take all the time allotted to me.

He gently chided the minority for not acceding without demur to the proposals brought here to meet the great emergency. I would call to his attention and to that of the House the purposes of the two-party system. It is one of the great developments in parliamentary history. It is one of the great advantages which Anglo-Saxon people enjoy in the conduct of their governmental affairs, in marked contrast to other countries of the world where there are many parties. In England, in this country, and in all other English-speaking lands it has been found of great benefit to have opposing points of view presented; and we have reached that stage where we hold it both a public gain and a party duty, a responsibility we may not shirk.

The gentleman from North Carolina has been here much longer than I have and so has had much more opportunity to observe that criticisms by the minority party have again and again produced better legislation. We need go back no farther than last year to find illustrations of the advantages that have accrued from the detailed study of measures. One that we neglected to perfect here went over to the Senate where were made more than 40 amendments that then approved themselves to the House. It being the duty of the minority, the obligation, the responsibility, to criticize, there should be no sharp rejoinder in case we try to perform this duty. We ought to do it courteously, in no captious fashion, with no desire to obstruct, but with the desire to give help that only can come from men of a different cast of mind who are united together in what we call a political party.

Yesterday this House adopted probably the most important proposal affecting the welfare of this country, and indeed of the world, that has ever come before it. I venture to say the gentleman can present no instance in the history of parliamentary bodies where a more serious and far-reaching proposal was ever considered, and I do not expect even the emergency of war, than the one we considered yesterday. Yet the minority were refused the opportunity to try to help improve the proposal by motions to instruct conferees. Perhaps we could not have done it. Perhaps the proposal was perfect. I have never seen anything perfect yet come from the brains of men, but possibly in this instance it was beyond improvement. Nevertheless, I believe that public advantage would have accrued if there could have been opportunity to apply the customary form of procedure in the way of proposal of change.

Now, sir, I realize that control of a legislative body as large as this is imperative; that there must be what we call leadership; and I have no desire to make hasty or unkind

comments upon the leadership of the past 2 months. Yet it does seem to me that the public welfare would have been better secured if the minority had been given more opportunity to function.

Twenty-three years ago the greater part of the Members of this House came to the conclusion that there ought to be more opportunity for the minority to be heard and to assert itself. It is not even necessary to mention party names in connection therewith. I am talking only of principles. You will recall that the House, in its good judgment, decided it would be better if there were less control. Just one instance of what has been taking place since then: One of the reforms, as they were called, was the adoption of Calendar Wednesday. I came here 10 years or so after that reform had been adopted. It was still championed and supported and defended by the gentleman who had shared in its creation.

Leaders of the party then taking control gradually allowed Calendar Wednesday to wane in importance, and when the other side came into control 2 years ago they allowed it to disappear. Thus one of the great advantages that was sought in the liberalizing of the rules has now gone into what a good and great Democrat called innocuous desuetude.

In the present instance there comes to the surface extension of power and leadership to which we call attention. It is not because we fail to recognize the difficulties under which the present leadership of the House works. We understand the problems presented by the control of a large number of new Members unacquainted with the importance of preserving the integrity of parliamentary procedure. We understand the difficulty in controlling men who desire to have some share in the proceedings of the House. We appreciate that they are restless and that they must be held down with an iron hand if we are to accomplish our purposes, but in this case we think the leadership may have gone beyond bounds of prudence and may have established a rule that will return to work harm on those who have framed that rule. [Applause.]

Mr. O'CONNOR. Mr. Speaker, we have been talking about a matter, the importance of which has been greatly exaggerated. We have listened to appeals to preserve the rights of the minority and how that great liberal Speaker of the old days of 1908, the gentleman from Illinois, Mr. Cannon, would not go so far as to interfere with the rights of the minority. Why, Speaker Cannon or Speaker Clark or Speaker Garner could not have done anything different from what they did do, because clause 6 of rule XVI of the rules of the House provided that on any motion, any substantive matter could be separated, if it were divisible, and a separate vote had upon it. So when Speaker Cannon ruled as he did, and Speaker Clark, in the Sixty-second Congress, and Speaker Garner in the Seventy-second Congress, they were confronted with that rule and could not evade it.

This is just what we propose to do here today. We have added to the present rule one clause, "nor shall any resolution or order reported by the Committee on Rules, providing a special order of business be divisible." The rest of the resolution is the present rule.

This change in the rules was not thought up just yesterday or even last month. It was part of a somewhat general revision of the rules of the House. It is only 1 of 5 or 6 proposed changes, some of which have been brought in here and passed and some of which are still under consideration. The rule was not held in the pocket of the Chairman of the Rules Committee, as charged here today. It was reported to the House and has been on the House Calendar since April 10, which is a situation quite different from "pocketing a rule", a la Campbell.

The necessity for this rule was brought to the attention of the House last April in connection with the consideration of the economy bill. In that instance a rule was brought in to consider the economy bill and a decision was had on the rule. Because of the experience of the House at that time,

the Rules Committee, without reference to any particular legislation, recalling only that incident, decided in the very early part of this session to change the rules.

Now, what is the effect of this change in the rules? The gentleman from New Jersey [Mr. LEHLBACH] got very much excited about "protecting the rights of the minority." The gentleman knows, good parliamentarian that he is, how he could get a separate vote or amend a rule, merely by voting down the previous question on the rule and then amending it—to strike out a part or to insert some provision, so that when you are all through with either method you reach the same result.

But why does the leadership of this House want the rule? When the Rules Committee, as the distinguished chairman of the committee has said, lays out a plan for the consideration of a measure in this House, every part of the plan is necessary for its consideration.

In the economy bill last April this is what could have happened: The gentleman from Missouri [Mr. CANNON] demanded a separate vote on three lines of the resolution. When Speaker Garner sustained his contention that under the general rule as to divisibility, it applied to resolutions from the Rules Committee. This meant a separate vote on these three lines, and also, of course, a separate vote on the rest of the resolution. If he had been defeated in his attempt to strike out those three lines and they had remained and the rest of the resolution had been stricken out, you would have had the perfectly ridiculous situation of having the title to a bill and a clause in the bill which did not mean anything.

Mr. LEHLBACH. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. LEHLBACH. That very argument was made on the floor and was met by Speaker Garner with the statement that the presumption is that the House will act intelligently.

Mr. O'CONNOR. He was talking, maybe, about the Seventy-second Congress. [Laughter.]

There was no argument last April about the rights of the minority. All that Mr. CANNON of Missouri was arguing was the rules or the precedents and that Speakers were bound by the standing rules of the House. There was never any question but that we could change the rules, so that there could not be a separate vote on a resolution from the Rules Committee.

Now, take the resolution that is coming in to consider the independent offices bill and let us be frank about it. Suppose you take one paragraph of that resolution and demand a separate vote and vote that out. This may make the rest of the rule absolutely meaningless. You can accomplish the same purpose in another way, and let me state to my Democratic colleagues, do not let this molasses talk we are hearing every day over on the other side ensnare any of you. They are going to vote against this rule, I imagine, solely because we want it. They have had this in their own minds for years. If they were in power, after the experience with the economy bill, they would have been in here last December with this rule.

So the Rules Committee believes that in the orderly conduct of the business of the House, without interfering in any way with the rights of any minority or any individual Member, when they bring in a rule the whole plan should be carried out or the whole plan should be defeated by voting down the rule or changed, as you may see fit, by voting down the previous question and amending the rule. [Applause.]

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were 125 ayes and 59 noes.

Mr. SNELL. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. SNELL. Mr. Speaker, I will withdraw that and ask for the yeas and nays on the proposition.

The yeas and nays were ordered.

The question was taken; and there were—yeas 240, nays 142, not voting 48, as follows:

[Roll No. 30]

YEAS—241

Adair	Delaney	Kloeb	Richardson
Adams	DeRouen	Kniffin	Robertson
Allgood	Dickinson	Kocalkowski	Robinson
Almon	Dickstein	Kopplemann	Rogers, N.H.
Arnold	Dies	Kramer	Romjue
Auf der Heide	Disney	Lamneck	Rudd
Ayres, Kans.	Dobbins	Lanham	Ruffin
Bailey	Dockweiler	Larrabee	Sabath
Beiter	Doughton	Lee, Mo.	Sanders
Berlin	Douglass	Lesinski	Sandlin
Biermann	Doxey	Lewis, Colo.	Schaefer
Black	Drewry	Lindsay	Schuetz
Bland	Driver	Lloyd	Schulte
Bloom	Duffey	Lozier	Scrugham
Boehne	Duncan, Mo.	Ludlow	Sears
Boland	Durgan, Ind.	McCarthy	Shallenberger
Boylan	Eagle	McClintic	Sirovich
Brennan	Elcher	McCormack	Sisson
Brooks	Ellzey, Miss.	McDuffie	Smith, Va.
Brown, Ky.	Faddis	McGrath	Smith, W.Va.
Brown, Mich.	Farley	McKeown	Snyder
Brunner	Fitzgibbons	McReynolds	Spence
Buchanan	Fitzpatrick	McSwain	Steagall
Buck	Flannagan	Major	Strong, Tex.
Bulwinkle	Fletcher	Maloney, Conn.	Stubbs
Burch	Ford	Maloney, La.	Studley
Burke, Calif.	Fuller	Mansfield	Sullivan
Busby	Fulmer	Marland	Summers, Tex.
Byrns	Gasque	Martin, Colo.	Sutphin
Cady	Gillespie	Martin, Oreg.	Swank
Caldwell	Gillette	May	Sweeney
Cannon, Mo.	Glover	Meeks	Tarver
Carden	Goldsborough	Miller	Taylor, Colo.
Carley	Goss	Milligan	Taylor, S.C.
Carpenter, Nebr.	Granfield	Mitchell	Thom
Cartwright	Gray	Montet	Thomason, Tex.
Cary	Green	Moran	Thompson, Ill.
Castellow	Greenwood	Musselwhite	Truax
Celler	Gregory	Nesbit	Turner
Chapman	Griswold	Norton	Umstead
Clark, N.C.	Haines	O'Connell	Utterback
Cochran, Mo.	Hart	O'Connor	Vinson, Ga.
Coffin	Hastings	Oliver, Ala.	Vinson, Ky.
Colden	Healey	Oliver, N.Y.	Wallgren
Cole	Henney	Owen	Walter
Collins, Miss.	Hill, Sam B.	Palmisano	Warren
Colmer	Holdale	Parker, Ga.	Wearin
Condon	Huddleston	Parks	Weaver
Cooper, Tenn.	Hughes	Parsons	Weldeman
Corning	Imhoff	Patman	West, Ohio
Cox	Jacobsen	Peterson	West, Tex.
Cravens	Jeffers	Pettengill	Whittington
Crosby	Jenckes	Peyser	Wilcox
Cross	Johnson, Okla.	Pou	Willford
Crowe	Johnson, Tex.	Prall	Williams
Crump	Jones	Ragon	Wilson
Cullen	Kemp	Ramsay	Wood, Ga.
Cummings	Kennedy, Md.	Ramspeck	Woodrum
Darden	Kenney	Randolph	
Dear	Kerr	Rankin	
Deen	Kleberg	Rayburn	

NAYS—142

Allen	Ditter	Kahn	Peavey
Andrew, Mass.	Dondero	Keller	Polk
Andrews, N.Y.	Doutrich	Kelly, Ill.	Powers
Arens	Dowell	Kelly, Pa.	Ransley
Ayers, Mont.	Dunn	Kinzer	Reece
Bacharach	Edmonds	Knutson	Reid, Ill.
Bacon	Englebright	Kurtz	Relly
Bakewell	Evans	Lambertson	Rich
Beam	Fish	Lambeth	Rogers, Mass.
Beck	Focht	Lanzetta	Rogers, Okla.
Blanchard	Foss	Lehlbach	Secrest
Boileau	Frear	Lehr	Seger
Bolton	Gavagan	Lemke	Shannon
Britten	Gibson	Luce	Shoemaker
Brumm	Gilchrist	McFadden	Smith, Wash.
Burke, Nebr.	Goodwin	McFarlane	Snell
Burnham	Guyer	McGugin	Somers, N.Y.
Cannon, Wis.	Hancock, N.Y.	McLean	Stalker
Carpenter, Kans.	Hancock, N.C.	McLeod	Stokes
Carter, Wyo.	Hartley	McMillan	Strong, Pa.
Chase	Hess	Mapes	Swick
Christianson	Hildebrandt	Marshall	Taber
Claiborne	Hill, Ala.	Martin, Mass.	Taylor, Tenn.
Clarke, N.Y.	Hill, Knute	Merritt	Terrell
Cochran, Pa.	Hoeppel	Millard	Thurston
Collins, Calif.	Hollister	Monaghan	Tinkham
Connery	Holmes	Morehead	Tobey
Connolly	Hooper	Mott	Traeger
Crosser	Hope	Moynihan	Treadway
Crowther	Howard	Muldorney	Turpin
Darrow	James	Murdock	Wadsworth
De Priest	Jenkins	O'Malley	Watson
Dirksen	Johnson, Minn.	Parker, N.Y.	Welch

Werner	Withrow	Wolverton	Woodruff
Whitley	Wolcott	Wood, Mo.	Young
Wigglesworth	Wolfenden		

NOT VOTING—48

Abernethy	Culkin	Harter	O'Brien
Bankhead	Dingell	Higgins	Perkins
Beedy	Eaton	Hornor	Pierce
Blanton	Eitse, Calif.	Johnson, W. Va.	Reed, N.Y.
Brand	Fernandez	Kee	Richards
Browning	Fiesinger	Kennedy, N.Y.	Sadowski
Buckbee	Foulkes	Kvale	Simpson
Carter, Calif.	Gambrill	Lea, Calif.	Sinclair
Cavicchia	Gifford	Lewis, Md.	Underwood
Chavez	Griffin	Lundeen	Waldron
Church	Hamilton	Mead	White
Cooper, Ohio	Harlan	Montague	Zioncheck

So the resolution was agreed to.

The following pairs were announced:

On the vote:

Mr. O'Brien (for) with Mr. Cavicchia (against).
 Mr. Fernandez (for) with Mr. Culkin (against).
 Mr. Sadowski (for) with Mr. Buckbee (against).
 Mr. Dingell (for) with Mr. Perkins (against).
 Mr. Bankhead (for) with Mr. Reed of New York (against).
 Mr. Kennedy of New York (for) with Mr. Waldron (against).
 Mr. Gambrill (for) with Mr. Higgins (against).
 Mr. Browning (for) with Mr. Beedy (against).
 Mr. Chavez (for) with Mr. Cooper of Ohio (against).
 Mr. Griffin (for) with Mr. Simpson (against).
 Mr. Mead (for) with Mr. Carter of California (against).

Until further notice:

Mr. Blanton with Mr. Gifford.
 Mr. Harlan with Mr. Eaton.
 Mr. Abernethy with Mr. Sinclair.
 Mr. Kee with Mr. Eitse of California.
 Mr. Lewis of Maryland with Mr. Kvale.
 Mr. Underwood with Mr. Lundeen.
 Mr. Brand of Georgia with Mr. Harter.
 Mr. Fiesinger with Mr. Foulkes.
 Mr. Hornor with Mr. Church.
 Mr. Ludlow with Mr. Pierce.
 Mr. Montague with Mr. Richards.
 Mr. Lea of California with Mr. White.
 Mr. Johnson of West Virginia with Mr. Zioncheck.

Mr. CANNON of Missouri. Mr. Speaker, I desire to change my vote from "nay" to "aye" in order to move reconsideration.

The result of the vote was announced as above recorded.

Mr. CANNON of Missouri. Mr. Speaker, I was engaged on a committee report and did not have the opportunity to hear the debate on this resolution, and am much surprised on reaching the floor to find a vote being taken to repeal the oldest rule of the House. This rule was adopted by the First Congress when it assembled and organized in New York in 1789. In fact, it is older than the House itself, as it was in force in the Continental Congress. It is astounding that anyone should suggest repealing it. It is not only hallowed by years and by the decisions of every Speaker from Muhlenberg to Longworth, but it is a fundamental adjunct to free government and is in use in every free legislative body in the world today. It guarantees the rule of the majority, and any effort to abrogate it must have as its objective the rule of less than a majority. There can be no other explanation of this proposal. The only purpose in denying the right of Members to vote on the separate propositions submitted to the House is to sandwich in with worthy issues questionable propositions they do not dare to submit on their own merits. The resolution before you is an instrument to be used by a few men in forcing down the throats of the rest of us measures so objectionable and at such variance with public sentiment that they could not be passed if voted on separately.

Mr. Speaker, this rule is one of the ancient landmarks in parliamentary procedure. It has come down to us from the time of Jefferson. It has been a part of the law of this House for a hundred and fifty years, and in all this century and a half no one before has ever proposed to lay sacrilegious hands upon it. And after it has thus served with the universal endorsement of all Speakers of all parties for 72 Congresses, it is unthinkable that the Seventy-third Congress should now wantonly destroy it for the sake of a little petty partisan advantage. It would be like an ignorant centurion burning the priceless books of a great Alexandrian library to keep warm on a chill night. It would be like destroying an ancient Greek temple to secure material

for a pigsty. There is a parliamentary vandalism, Mr. Speaker, as reprehensible as that of any vandal who ever marred the paintings or broke the statuary in the Hall of Fame.

And the sad feature of the situation is that it is wholly unnecessary. There is no purpose which can be served by this extraordinary procedure which cannot be as effectually served by such reports from the Committee on Rules as are almost daily presented on this floor. It lacks even the excuse of expediency. Every Democratic legislative program since the establishment of the Democratic Party has been effectuated with this rule in full force and effect, and any future program of the Democratic Party can be as quickly and as fully consummated without this ruthless sabotage of the rules of the House.

Mr. Speaker, older Members about me here say this resolution has been brought up unexpectedly and without due notice. Surely the Members of the House cannot appreciate its full significance. They do not realize that they are voting on a proposition to destroy a rule that is older than the Capitol Building in which we sit—one of the fundamental guaranties of democratic government. For that reason, Mr. Speaker, I desire to enter a motion to reconsider the vote by which the resolution has just been adopted, in order that we may have an opportunity for some deliberate consideration before we take this unprecedented step.

Mr. O'CONNOR. Mr. Speaker, I move to lay the motion of the gentleman from Missouri on the table.

Mr. CANNON of Missouri. And on that, Mr. Speaker, I demand the yeas and nays.

Mr. BRITTEN. Mr. Speaker, because of the noise and confusion it is impossible to hear what is going on.

The SPEAKER. The gentleman from Missouri moved to reconsider the vote, and the gentleman from New York moved to lay that motion on the table. The question is on ordering the yeas and nays.

The yeas and nays were ordered.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. O'CONNOR. I object.

Mr. SNELL. Mr. Speaker, let us understand what we are voting on. See if I am correct. The vote is on laying the motion on the table.

The SPEAKER. The vote is on the motion of the gentleman from New York to lay the motion of the gentleman from Missouri on the table.

The question was taken; and there were—yeas 220, nays 140, not voting 71, as follows:

[Roll No. 31]

YEAS—220

Adair	Cochran, Mo.	Faddis	Kniffin
Adams	Coffin	Farley	Kocialkowski
Arnold	Colden	Fitzpatrick	Kopplemann
Auf der Heide	Cole	Flannagan	Kramer
Ayres, Kans.	Collins, Miss.	Ford	Lanham
Bailey	Colmer	Fuller	Lanzetta
Beiter	Cooper, Tenn.	Fulmer	Larrabee
Berlin	Corning	Gasque	Lee, Mo.
Biermann	Cox	Gillespie	Lewis, Colo.
Black	Cravens	Glover	Lindsay
Bland	Cross	Goldsborough	Lloyd
Bloom	Crowe	Goss	Lozier
Boehne	Crump	Granfield	Ludlow
Boylan	Cullen	Gray	McCarthy
Brennan	Cummings	Green	McClintic
Brooks	Darden	Greenwood	McCormack
Brown, Ky.	Dear	Gregory	McDuffie
Brunner	Deen	Haines	McGrath
Buchanan	Delaney	Harter	McKeown
Buck	DeRouen	Hastings	McReynolds
Burch	Dickinson	Healey	McSwain
Burke, Calif.	Dickstein	Henney	Major
Busby	Dies	Hill, Sam B.	Maloney, Conn.
Byrns	Dobbins	Hoidale	Maloney, La.
Caldwell	Dockweller	Huddleston	Mansfield
Carden	Doughton	Jacobsen	Marland
Carley	Douglass	Jeffers	Martin, Colo.
Carpenter, Nebr.	Doxey	Johnson, Okla.	May
Cartwright	Drewry	Johnson, Tex.	Mead
Cary	Driver	Johnson, W. Va.	Meeks
Castellow	Duffey	Jones	Miller
Celler	Duncan, Mo.	Kemp	Milligan
Chapman	Durgan, Ind.	Kennedy, Md.	Mitchell
Chavez	Eagle	Kenney	Montet
Church	Eicher	Kieberg	Musselwh
Clark, N.C.	Ellzey, Miss.	Kloeb	Nesbit

Norton	Randolph	Smith, Va.	Turner
O'Connell	Rayburn	Smith, W.Va.	Umstead
O'Connor	Richards	Snyder	Vinson, Ga.
Oliver, Ala.	Richardson	Somers, N.Y.	Vinson, Ky.
Oliver, N.Y.	Robertson	Spence	Wallgren
Owen	Rogers, N.H.	Steagall	Walter
Parker, Ga.	Romjue	Strong, Tex.	Warren
Parks	Rudd	Stubbs	Wearin
Parsons	Ruffin	Studley	Weaver
Patman	Sabath	Sullivan	West, Ohio
Peavey	Sanders	Summers, Tex.	West, Tex.
Peterson	Sandlin	Sutphin	White
Pettengill	Schaefer	Swank	Whittington
Peyser	Schuetz	Sweeney	Willcox
Pou	Schulte	Tarver	Willford
Prall	Sears	Taylor, Colo.	Williams
Ragon	Shallenberger	Thom	Wilson
Ramsay	Sirovich	Thompson, Ill.	Wood, Ga.
Ramspeck	Sisson	Truax	Woodrum

NAYS—140

Allen	Dowell	Keller	Rogers, Okla.
Andrew, Mass.	Dunn	Kelly, Ill.	Secrest
Andrews, N.Y.	Eaton	Kelly, Pa.	Seger
Arens	Edmonds	Kinzer	Shannon
Ayers, Mont.	Eltse, Calif.	Knutson	Shoemaker
Bacharach	Englebright	Kurtz	Smith, Wash.
Bacon	Evans	Lambertson	Snell
Bakewell	Fish	Lambeth	Stalker
Beam	Fletcher	Lamneck	Stokes
Blanchard	Focht	Lehlbach	Strong, Pa.
Bolleau	Foss	Lehr	Swick
Bolton	Frear	Lemke	Taber
Britten	Gavagan	Luce	Taylor, S.C.
Brumm	Gibson	Lundeen	Taylor, Tenn.
Burke, Nebr.	Gilchrist	McFadden	Terrell
Burnham	Griswold	McFarlane	Thomason, Tex.
Cannon, Mo.	Guyer	McLean	Thurston
Carpenter, Kans.	Hancock, N.Y.	McLeod	Tobey
Carter, Calif.	Hancock, N.C.	Marshall	Traeger
Carter, Wyo.	Hartley	Martin, Mass.	Treadway
Chase	Hess	Merritt	Turpin
Christianson	Hildebrandt	Millard	Utterback
Claiborne	Hill, Ala.	Moran	Wadsworth
Clarke, N.Y.	Hill, Knute	Morehead	Watson
Cochran, Pa.	Hoeppel	Mott	Weideman
Collins, Calif.	Hollister	O'Malley	Welch
Condon	Holmes	Parker, N.Y.	Werner
Connolly	Hooper	Polk	Whitley
Crosser	Howard	Powers	Wigglesworth
Crowther	Imhoff	Rankin	Withrow
Darrow	James	Ransley	Wolcott
De Priest	Jenkins	Reid, Ill.	Wolfenden
Dirksen	Johnson, Minn.	Rich	Wolverton
Ditter	Kahn	Rogers, Mass.	Wood, Mo.
Doutrich			Young

NOT VOTING—71

Abernethy	Crosby	Hornor	O'Brien
Allgood	Culkin	Hughes	Palmisano
Almon	Dingell	Jenckes	Perkins
Bankhead	Disney	Kee	Pierce
Beck	Dondero	Kennedy, N.Y.	Reece
Beedy	Fernandez	Kerr	Reed, N.Y.
Blanton	Fiesinger	Kvale	Reilly
Boland	Fitzgibbons	Lea, Calif.	Robinson
Brand	Foulkes	Lesinski	Sadowski
Brown, Mich.	Gambrill	Lewis, Md.	Scrugham
Browning	Gifford	McGugin	Simpson
Buckbee	Gillette	McMillan	Sinclair
Bulwinkle	Goodwin	Martin, Oreg.	Tinkham
Cady	Griffin	Monaghan	Underwood
Cannon, Wis.	Hamilton	Montague	Waldron
Caviechia	Harlan	Moynihan	Woodruff
Connery	Hart	Muldowney	Zioncheck
Cooper, Ohio	Higgins	Murdock	

So the motion to lay the motion to reconsider on the table was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien (for) with Mr. Caviechia (against).
 Mr. Fernandez (for) with Mr. Culkin (against).
 Mr. Sadowski (for) with Mr. Buckbee (against).
 Mr. Dingell (for) with Mr. Perkins (against).
 Mr. Bankhead (for) with Mr. Reed of New York (against).
 Mr. Kennedy of New York (for) with Mr. Waldron (against).
 Mr. Gambrill (for) with Mr. Higgins (against).
 Mr. Browning (for) with Mr. Beedy (against).
 Mr. Griffin (for) with Mr. Simpson (against).
 Mrs. Jenckes (for) with Mr. Woodruff (against).
 Mr. McMillan (for) with Mr. Cooper of Ohio (against).
 Mr. Allgood (for) with Mr. Beck (against).
 Mr. Hornor (for) with Mr. Muldowney (against).
 Mr. Almon (for) with Mr. Tinkham (against).

Additional general pairs:

Mr. Blanton with Mr. Gifford.
 Mr. Lewis of Maryland with Mr. Kvale.
 Mr. Connery with Mr. Dondero.
 Mr. Abernethy with Mr. Sinclair.
 Mr. Hart with Mr. Goodwin.
 Mr. Cannon of Wisconsin with Mr. Reece.
 Mr. Martin of Oregon with Mr. Moynihan.

Mr. Reilly with Mr. McGugin.
 Mr. Boland with Mr. Kerr.
 Mr. Bulwinkle with Mr. Lesinski.
 Mr. Palmisano with Mr. Cady.
 Mr. Murdock with Mr. Robinson.
 Mr. Scrugham with Mr. Brown of Michigan.
 Mr. Underwood with Mr. Zioncheck.
 Mr. Kee with Mr. Hamilton.
 Mr. Fiesinger with Mr. Montague.
 Mr. Harlan with Mr. Brand.
 Mr. Lea of California with Mr. Pierce.

Mr. WOODRUFF. Mr. Speaker, I was called to the telephone during the roll call and thereby missed hearing my name called. If I had been present, I would have voted "no."

Mrs. JENCKES. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentlewoman present when her name was called?

Mrs. JENCKES. No; I was not present. I just came from the office.

The SPEAKER. The gentlewoman does not qualify.

The result of the vote was announced as above recorded.

INVESTIGATION OF MOTION-PICTURE INDUSTRY

Mr. SABATH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, it was my intention to call up at this time a special rule making in order the so-called "Sirovich resolution." However, many Members have asked me to postpone calling it up at this time, and I will do so. I make this statement to inform several Members of my purpose to postpone it, because I told them earlier in the day that I would call it up. I shall call it up in the near future.

Mr. SNELL. Could the gentleman tell us when he intends to call it up?

Mr. SABATH. Some day next week, as soon as we have disposed of the appropriation bill and other important legislation.

Mr. MARTIN of Massachusetts. Why does the gentleman not call it up now?

Mr. SABATH. Because many Members have asked me to postpone it, some of whom are for it and some against it.

Mr. MARTIN of Massachusetts. Did they give any reason?

Mr. SABATH. Some of them were not able to be present.

Mr. O'CONNOR. Mr. Speaker, I demand the regular order.

CONDUCT OF RECEIVERS AND REFEREES IN BANKRUPTCY, ETC.

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution for printing under the rule:

House Resolution 110

Resolved, That, when in its judgment such investigations are justified, the Judiciary Committee of the House of Representatives be, and it is hereby, authorized to inquire into and investigate the matter of appointments, conduct, proceedings, and acts of receivers, trustees, referees in bankruptcy, and receivers in equity causes for the conservation of assets within the jurisdiction of United States district courts.

SEC. 2. The said committee, or subcommittees thereof, to be appointed by the Chairman of the Judiciary Committee, shall specifically inquire into and investigate the selection of receivers and assistants to such receivers and trustees, referees, custodians, auctioneers, appraisers, accountants, and other aids to the court in the administration of bankruptcy estates and equity receiverships; and shall inquire into and investigate all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

SEC. 3. The said committee, or any subcommittee thereof, to be appointed by the Chairman of the Judiciary Committee, shall inquire into and investigate the action of any district judge or judges in the setting up and promulgating of any rule or rules of practice of the court appointing the same person or corporation as receiver in all cases or in any class of cases, and to inquire into and investigate the action of any district judge or judges in setting up and promulgating any rule or rules of practice of the court which in effect, directly or indirectly, interferes with or prevents the control of bankruptcy estates by creditors according to the spirit and letter of the bankruptcy statutes; and to inquire into and investigate all other questions in relation thereto that would aid the Congress in any necessary remedial legislation.

SEC. 4. The committee shall report to the House of Representatives not later than the 31st day of January 1934 the result of its

investigation, together with such recommendations as it deems advisable.

SEC. 5. The said committee, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to employ suitable counsel, assistants, and investigators in aid of its investigation, as well as such experts, and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary; and all such expenses thereof shall be paid on vouchers ordered by said committee and approved by the chairman thereof. Subpenas shall be issued under the signature of the Chairman of the Judiciary Committee or of the chairman of any subcommittee, and shall be served by any person designated by any of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, it is the purpose of the gentleman from Texas [Mr. BUCHANAN] to call up the deficiency appropriation bill, and to have general debate upon it this afternoon and to conclude the consideration of the bill some time tomorrow. Then we hope on Friday to take up the securities bill, which will probably consume Friday and Saturday, or at least part of that day. On Monday next we hope to take up the independent offices appropriation bill.

THIRD DEFICIENCY APPROPRIATION BILL, FISCAL YEAR 1933

Mr. BUCHANAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 5390) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes. Pending that, I ask unanimous consent that such time as is utilized in general debate be equally controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 5390, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I ask the gentleman from New York to consume some time.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. DE PRIEST].

Mr. DE PRIEST. Mr. Chairman, very early in the history of this country about 20 people of my race group were brought over here from Africa on a Dutch trading ship, and for 244 years they served in slavery, without pay and without price. I fear that amongst them communism has been making some headway. I would rue the day when communism rules America. It is not based on American principles and certainly does not agree with our form of government. It is regretful that any racial group should be driven to think of communism in the sense of America, but so many impositions have been placed upon my group that I want to call attention to a few of them. I shall give you a synopsis of a few of them, and extend the rest of them in my remarks, if I am permitted. I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DE PRIEST. Mr. Chairman, no race of people in this country has ever been more loyal to America than the people of my race. In every period of war this country has been engaged in they have always served the American Government, and I hope they always will. They were emancipated by the proclamation issued by the immortal Abraham Lincoln in 1863. After that the Republican Party submitted to the people of this country three amendments, the thirteenth, the fourteenth, and the fifteenth amendments to the Constitution of the United States, which gave them their liberty, made them citizens, and gave them the right to vote.

Under the guise of Ku-Kluxism my people have been intimidated and bulldozed in certain neighborhoods; people who were trying to be intelligent citizens, and standing up for their manhood rights. I have seen those night-riders in Alabama, where I was born. Of course, the Ku-Klux died out shortly after that. It was reorganized a few years ago, not only fighting the American Negro but fighting the Jews and the Catholics also. Thank God they did not last very long.

Then when the Negroes were getting more power and more control in this country the hue and cry was raised in some Southern States of Negro domination. That was only a subterfuge. The Negro in America never was in the majority in any one State in the United States except the State of Mississippi. There never was any chance for Negro domination. It was only used as a subterfuge for other people to ride into office on.

Then came those days when they were deprived of their right to vote. After they had 23 Members of Congress in both bodies and for about 28 years no member of my group was able to be a Member of this Congress. If we had a right to exercise our franchise rights as the Constitution provides we should exercise them I would not be the only Negro on this floor. I hope to see the time come when the Federal Constitution will be actually enforced and that the Members of Congress who have sworn to support the Constitution will pass an act to enforce every section of the Constitution including the amendments to which I have referred.

But recently there has been some discussion on the floor of this Congress about Negroes getting a square deal over this country. There was a discussion here the other day when the resolution was introduced to impeach Judge Lowell, of Massachusetts, because of a decision which had nothing whatever to do with the innocence or guilt of this man Crawford. I know nothing about his guilt or innocence, but I do say one thing, that this House was misled. I do not say that excitedly, but this House was misled. There was not one scintilla of evidence introduced in that hearing in Massachusetts with regard to the innocence or guilt of this man charged with crime; not one. But the question was decided on its merits, on whether or not this man had been indicted by a legally drawn grand jury. The question was raised on the issue in the State of Virginia. It was proven that those of my racial group are not included in the jury system. No Member from the State of Virginia can rise on this floor and say that any negro has served on a jury in Virginia in the last quarter of a century, whether petit jury or grand jury. That was the ground on which that decision was rendered, that the jury was drawn unconstitutionally, because a certain group of people had been excluded from jury service, and not on the guilt of this man Crawford. I do not know anything about that. If he is guilty, he should be punished, but for God's sake indict him with a legally drawn grand jury.

I am stating these things not because I want to stir up any racial animosity, but the American people ought to know that 12,000,000 people should not be tempted to join some organization that is not for the best interests of America. I do not think communism means any good to this country, either to me or anybody else in it.

There was another case down in Scottsboro, Ala., quite recently, down in the State where I was born, and I have often said that if God would forgive me for being born there

I would never live there again. In reading some of the evidence in that trial it was shown that there were two white girls traveling as hoboes on a freight train dressed in overalls. It happened some two years ago. I am not saying whether those boys are innocent or guilty. I could not say, for I have not read over the testimony, but I do know that one of the girls repudiated her testimony a very short time ago in the second trial of one of the defendants, and I do know that one of the white boys who was with her substantiated her repudiation, and that is a matter of record. Everybody can read it. I do know that those boys were first convicted in the courts. The case went to the United States Supreme Court and it was reversed, and I do know that the last Negro was convicted and sentenced to the electric chair, I presume. If not, he will be; and that case will go back to the United States Supreme Court also.

I do not want a condition to arise in this country where those of my group will become discouraged and think there is no chance in America for them. I know the great rank and file of American people are on the square. I know that. But I also know what is everybody's business is nobody's business, and I also know that the great body of Christian America and the great newspapers and periodicals of this country do not universally denounce this crime of injustice meted out to those of my particular group, especially when charged with crimes of that kind. They are convicted before they are tried. I have no brief for Negro criminals. I hold no brief for any kind of a criminal, but I do wish to say that I think the time will come when a Congress of the United States—I do not care whether it be Republican or Democrat; it will still be composed of American citizens—will take this question up and see that their rights are protected. They are beginning to feel that they cannot secure their constitutional rights in the courts of our land.

This country cannot survive by keeping one tenth of its population down. It is a dangerous frame of mind for people to get into, just as the people of Iowa thought they could not secure their constitutional rights in the courts, and they made the serious mistake of trying to go into the court room and mete out so-called justice themselves by taking that judge off the bench, dragging him out into the street, and manhandling him and almost lynching him.

That is bordering on anarchy in this country. It was not brought about by the voice of the Iowa farmer. It was brought about because he thought he could not secure justice in the courts. He was wrong in this assumption, of course he was; and the Governor of the State acted as a human being ought to act. He called out the supreme power of the State to put down that insurrection.

I am making these remarks because I want you to know that the American Negro is not satisfied with the treatment he receives in America, and I know of no forum where I can better present the matter than the floor of Congress.

Down in Scottsboro conditions were so tense that it was necessary to call out the militia to protect those boys during the first trial.

A few years ago in Arkansas five members of my group were convicted of plotting against the American Government. Who ever heard of a Negro plotting against the American Government? The American Government has never had better supporters than the Negroes. They have supported it in every war. They have laid down their lives and made the supreme sacrifice for America in the past, and I hope they will do so in the future. You never heard of the assassination or attempted assassination of a President charged against members of my group. No member of my race every tried to commit assassination upon any ruler in America.

If we are good enough to lay down our lives for this country, we are good enough to enjoy the privileges of citizenship in this country.

I did not have anything to say on the floor the other day about the judge in Massachusetts because I was not given the opportunity to speak, but I did think it was uncalled-for; I did think it was premature for this Congress

to go on record and authorize an investigation while the case was pending before the Federal courts.

No one is interested more than I in the continued loyalty of the people of my racial group as citizens of the United States; and being interested as I am, I want to take this opportunity to call the attention of this body of lawmakers to certain untoward events, constantly recurring, that are, to say the least, turning the thoughts of my people away from our democratic form of government and with perhaps hopeful but reluctant eyes on the dangerous communist theory in this country. The treatment colored citizens receive in this country, and especially in the courts in some parts of it, in some instances in the North as well as the South, is having a bad effect on the minds of these people. The chief justice of the Supreme Court of the State of Alabama dissented from the decision in the first Scottsboro conviction, just as the United States Supreme Court threw out that conviction as a violation of the fourteenth amendment to the Constitution preventing States from depriving "any person of life, liberty, or property without due process of law."

I want particularly to discuss with you the now-famous Scottsboro case where nine youths of my race are accused of raping two white girls. The injustice imposed upon these boys in the first trial where they were convicted was such that the United States Supreme Court did not think they received a fair trial and set aside the verdict and ordered a new trial, on the ground that the fourteenth amendment to the Federal Constitution had been violated. This amendment says that no person shall be denied or deprived of life, liberty, or property without due process of law. In this connection I wish to quote as part of my remarks an editorial in the Washington Daily News of April 10, 1933, which reads as follows:

THE SCOTTSBORO VERDICT

The conviction of Haywood Patterson, first of the Negro defendants in the second trials of the Scottsboro cases, will be appealed. It should be.

Among other things prejudicial to a fair trial, the defense was able to show that the jury law apparently was administered to exclude Negroes from the panel for this case. On more than one occasion during the trial the State attorneys conducted themselves in such a way as to prevent orderly and judicious consideration of evidence by the jury.

In repudiating her testimony at the earlier trial, Ruby Bates swore that the other girl in the case, Victoria Price, had framed the Negro youths. Lester Carter, a white friend of the two girls, confirmed the testimony of Ruby Bates.

To execute boys on the discredited evidence of a woman of Victoria Price's character, and following a trial in which racial discrimination seemed to operate in the jury panel, would be unthinkable. Just as the chief justice of Alabama dissented from the first Scottsboro conviction, and just as the United States Supreme Court threw out that conviction as a violation of the fourteenth amendment of the Constitution preventing States from depriving "any person of life, liberty, or property without due process of law", so the Decatur verdict yesterday appears certain to be set aside by a higher court.

The action of courts and so-called "judicial procedure" in an atmosphere of intimidation, prejudice, and disturbance, as has happened in the Scottsboro case and as has frequently been the situation in other cases, creates disrespect of law and order and makes the Negro of America think it is impossible to get justice, especially in certain parts of the country.

May I quote again from the Washington Daily News of Tuesday, April 11, 1933, the words of Heywood Brown? He said, himself quoting—

We have no right to sit in the seats of the scornful. Nor is it the part of wisdom to think of the Scottsboro case as a local issue.

Continuing, he says:

Sunday, in Decatur, Ala., a jury of 12 white men brought in a verdict of death against Haywood Patterson. The attorney general of the great sovereign State referred to him as "that thing."

They say it was a quiet courtroom and a gentle day down in Morgan County when the jury filed in after 24 hours of delibera-

tion. But could none of them hear the wind in the rigging of the slave ship, the creaking of her timbers, and the cries of the cargo?

Attorney General Knight could not even bring himself to admit that he was in the presence of a man on trial for his life. He had to take refuge in such a phrase as "that thing." He was afraid of the facts. He had reason to fear.

There was much panicky talk in the speeches of the men who pressed the case. "Show them that Alabama justice cannot be bought and sold with Jew money from New York!" cried Solicitor Wright at one point in the trial. And the attorney general, after deploring the injection of prejudice by his associate in the summation, went on to say: "If you acquit this Negro, put a garland of roses around his neck, give him a supper, and send him to New York City. There let Dr. Harry Fosdick dress him up in a high hat and morning coat, gray striped trousers and spats."

And that was because Dr. Fosdick had told Ruby Bates to face the danger of return and go back to confess that she lied when first she accused the Negro boys. And that was because the attorney general was afraid.

From the Afro-American, Baltimore, Md., April 8, 1933, I read the following in a news story from Decatur, Ala.:

Carter stated that he, the girls, and Orville Gilley, white, made the entire trip together and that the boys did not rape the girls. He was kept in jail at Scottsboro until the trial was over. He went to Albany to tell Governor Roosevelt about the case and then saw attorneys. He was kept in hiding.

Carter reached here at 2 a.m. Thursday. Ruby Bates is still expected.

The situation here is tense as the defense scatters the State's case.

A mob of 200 whites under Klan leadership was reported near here Tuesday night. Twenty extra guards were called out. The sheriff threatened to shoot to kill. The mob had planned to march on the jail, but dispersed when they saw they had formidable opposition.

From the Baltimore Afro-American, dated April 22, 1933, I read a news story as follows:

DECATUR, ALA.—Another picture of Alabama justice flashed across the canvas here Monday when Bailiff E. R. Brittell admitted to Judge James E. Horton that he had allowed jurors to hold telephone conversations while serving in the Scottsboro case.

Joseph R. Brodsky, attorney, immediately entered a motion to set aside the verdict which condemned Haywood Patterson to death.

I want also to quote you a speech of my colleague, Congressman TOM BLANTON, of Texas, delivered on the floor of the House March 27, 1933, following the impassioned plea of Representative SIROVICH, of New York, in behalf of the Jewish people, recent victims of attack in a foreign country. Mr. BLANTON said:

I feel just as the gentleman does, and am unalterably opposed to any and all kinds of persecutions. If there is persecution against any people because of their race, it ought not to go unchallenged.

But is it not a matter that ought to be handled by our State Department? If we go to passing resolutions, unless we direct them to our own Executive and his Department of State, would we not be invading the Executive functions of the Government? We do not like to have the executive departments invade the legislative part of the Government. In this connection may I not call the attention of my friend to the fact that there is unreasonable, foolish, cruel persecution of the Jews right here in the Nation's Capital? I do not stand for that. I am against all persecutions. I have some very close personal friends of lifetime standing who are Jews. Why should we tolerate without protest the persecutions of Jews here in Washington?

There are very prominent apartment houses here in the Nation's Capital which refuse to permit Jews to rent apartments. There are apartment houses here where people can buy homes therein as they buy a residence. If my distinguished friend would go there and say, "I am a Jew," they would say, "We cannot sell to you." There is that ridiculous persecution, with which I have no sympathy whatever, right here in the gentleman's National Capital, but we ought to get that out of the way first before we go to foreign countries. Has my distinguished friend from New York any precedents for his resolution?

The remarks, quoted above, were uttered in the course of debate, when the subject of the persecution of the Jews in Germany was before the House. Mr. BLANTON's speech pertaining to the Jews applies with equal force to all citizens alike in this country. I want to compliment him on the stand he took. I believe he is fair enough to want to mete out even-handed justice to all citizens, including the 12 million colored citizens of the United States, for I do not see how any Member of Congress can take any other stand when

he remembers the oath of office he took to uphold the Constitution and our form of government.

I particularly want to call your attention to the Massie case that happened in the Hawaiian Islands. I am not pretending to say that the defendants over there, who were accused of raping Mrs. Massie, were innocent or guilty, but I do want to say that no jury had found them guilty. In their trial the jury was unable to agree on their guilt. Further, I want to call your attention to the apparent state of mind against all dark-skinned people where prejudice is allowed to defeat justice. About 140 Members of Congress signed a petition and cabled it to the Governor of the Hawaiian Islands asking the pardon of the Massies after they had been duly convicted of murdering one Kahahawai, one of the defendants accused of raping Mrs. Massie. There is no excuse that can be offered by any stretch of the imagination that will justify American citizens, either at home or abroad, or in our territorial possessions, in taking the law into their own hands.

I also wish to call attention to the fact that Lieutenant Massie is still holding a commission in the United States Navy despite conduct unbecoming a gentleman and prejudicial to the dignity of an officer of the Navy. He participated in a murder, and, according to his own testimony on the witness stand in his trial, an officer and an individual, admitted that he fired the fatal shot that killed Kahahawai. This officer of the United States Navy was convicted, sentence commuted to 1 hour, and which time was served.

All these things have a tendency to drive into the American Negro the thought that he cannot secure justice in all parts of America and that dark-skinned people in its territorial possessions are subjected to the same prejudices. I call this to your attention, knowing full well the part colored American citizens have played in all the wars of this country where the dignity and honor of the United States have been assaulted by foes within and foes without.

No man of my racial group has ever been disloyal to our flag or to our country. I hope the time will never come when he may be goaded on to that extremity. I call your attention to dangerous possibilities lurking in a discouraged, dejected, despised, mob-ridden, and intimidated group of citizens if this condition continues to prevail so that they are convinced there is no chance in this country to receive justice at the hands of our people.

I am appealing to the Christian, law-abiding people of America through its magazines, its newspapers, its periodicals, and its pulpit; through its fraternal organizations, labor organizations, church organizations, and all manner and kind of societies, to help maintain law and order in America and abolish this blight on our American jurisprudence and to help blot out the crime known as lynching. It becomes necessary also that the provisions in the Constitution must be safeguarded, so that no man shall be deprived of life, liberty, or property without due process of law; and due process of law means a fair and impartial trial for every citizen of our country.

He who stands idly by, knowing these conditions to exist, will be guilty of contributive negligence in not routing this monster of race prejudice evidenced in many places where it cannot be controlled but occupying too serious a place in our governmental and court procedure of the land. In the interest of America—great, shining, proud symbol of freedom and of liberty and of opportunity, of which 12,000,000 men and women, boys and girls, of my racial group are an integral part—let us stand up like men and women and uphold law and order and see that every man has a fair trial, equal opportunity, and a chance under the sun to have an existence. Only by such action on the part of the American people can America free itself of this odious institution and maintain the confidence and respect of that 12,000,000 American Negroes and also of the rest of the civilized world. It is already being said that we have no right to criticize Germany in her attitude toward the Jews, nor point the finger of scorn at Russia in her attitude against a certain class of her population, until we do justice

here in America to every man, woman, and child who lives beneath the folds of the Stars and Stripes. We should remove the beam from out our own eyes before we try to take the mote from the eyes of the rest of the world.

It has not been my purpose here in this body to be radical on any question, especially on some phases of our American life that come close to me, but the time has come when someone must speak out against the damnable, lynching, menacing mob spirit which is depriving citizens of their just rights under the Constitution. This utter disregard of the rights of my people, reaching toward the doorway of our courts of justice, is all too prevalent in some parts of the country.

Let me again appeal to the American public—to you ladies and gentlemen, representatives of the people—that we strive to save America from this growing disregard of law and order. These are trying times in our political and economic life, as well as in our daily social contact, and I hazard to prophesy that the time will come when America may need every loyal citizen to defend our form of government. When that time does come, whether or not I am living, I am sure those of my racial group will stand loyally by this form of government under which we operate. That can only come about by the expressed will of the American people to see that justice is administered under all circumstances to all citizens alike, whether rich or poor, high or low, and without discrimination as to race, color, or creed.

And there now follows in rapid succession riotous demonstrations at the opening of the Mooney trial, whereby the presiding judge felt constrained to postpone the proceedings, and following this comes the assault upon a judge at the town of Le Mar, 20 miles north of Sioux City, Iowa, where the mob went so far as to place a noose, as is alleged, around the neck of the aged jurist. These riotous proceedings, coupled with a threat of impeachment of Judge Lowell, of Massachusetts, who did his duty as he saw it, contributes to a far-greater degree to the break-down of law and order than is healthy for this fair country of ours.

The issue in the Crawford case, which was discussed on the floor of this House by the gentleman from Virginia a few days ago, has nothing to do with whether or not Crawford will get a fair trial in Virginia. The sole issue involved in Judge Lowell's action was whether or not the indictment was constitutional in view of the express admission of the Virginia judge that Negroes had been excluded from the grand jury pursuant to established custom in the State of Virginia. Judge Lowell took the position that once the Virginia judge admitted he had excluded Negroes from the grand jury pursuant to the established custom, the case had been brought within the long line of precedents in the United States Supreme Court, particularly Neal against Delaware, which precedents establish that a conviction cannot be predicated upon an indictment returned by an unconstitutional grand jury. Judge Lowell said he had no doubt that Crawford would get a fair trial in Virginia but that a fair trial could not cure the illegality of the indictment which necessarily would have to serve as a foundation upon which all further proceedings would be based, and that it would be running around in a circle to send Crawford back to Virginia to answer to this particular indictment, when after trial and conviction and review up to the Supreme Court of the United States the United States Supreme Court would have to set the conviction aside in order to protect Crawford's constitutional rights as a citizen of the United States on the very same ground raised before him in the habeas-corpus proceedings, to wit, exclusion of Negroes from the grand jury pursuant to established custom. The judge, in substance, said that if the conviction would have to be set aside eventually on account of an unconstitutional exclusion of Negroes from the grand jury, it would be merely a matter of stage play to send Crawford back to Virginia to answer this unconstitutional indictment. The question of Crawford's innocence or guilt was never presented to the court or considered by it.

ELAINE, ARK., CASE

I quote from United States Supreme Court Reports, volume 261, Cases Adjudged in the Supreme Court at October Term, 1922:

Moore et al v. Dempsey, keeper of the Arkansas State Penitentiary. Appeal from the District Court of the United States for the Eastern District of Arkansas

No. 199. Argued January 9, 1923. Decided February 19, 1923

1. Upon an appeal from an order of the district court dismissing a petition of habeas corpus upon demurrer the allegations of fact pleaded in the petition and admitted by the demurrer must be accepted as true (p. 87).

2. A trial for murder in the State court in which the accused are hurried to conviction under mob domination, without regard for their rights, is without due process of law and absolutely void (p. 90).

3. In the absence of sufficient corrective process afforded by the State courts, when persons held under death sentence and alleging facts showing that their conviction resulted from such a trial apply to the Federal district court for habeas corpus that court must find whether the facts so alleged are true and whether they can be explained so far as to leave the State proceedings undisturbed (p. 91).

Reversed.

Appeal from an order of the district court dismissing a petition for habeas corpus upon demurrer.

Mr. U. S. Bratton and Mr. Moorfield Storey for appellants.

Mr. Elbert Godwin, with whom Mr. J. S. Utley Attorney General of the State of Arkansas, and Mr. William T. Hammock were on the brief, for appellee.

Mr. Justice Holmes delivered the opinion of the Court.

This is an appeal from an order of the District Court of the Eastern District of Arkansas dismissing a writ of habeas corpus upon demurrer, the presiding judge certifying that there was probable cause for allowing the appeal. There were two cases originally, but by agreement they were consolidated into one. The appellants are five negroes who were convicted of murder in the first degree and sentenced to death by the court of the State of Arkansas. The ground of the petition for the writ is that the proceedings in the State court, although a trial in form, were only in a form, and that the appellants were hurried to conviction under the pressure of a mob without any regard for their rights and without, according to them, due process of law.

The case stated by the petition is as follows, and it will be understood that while we put it in narrative form, we are not affirming the facts to be as stated but only what we must take them to be, as they are admitted by the demurrer. On the night of September 30, 1919, a number of colored people assembled in their church were attacked and fired upon by a body of white men, and in the disturbance that followed a white man was killed. The report of the killing caused great excitement and was followed by the hunting down and shooting of many Negroes and also by the killing on October 1 of one Clinton Lee, a white man, for whose murder the petitioners were indicted. They seem to have been arrested with many others on the same day. The petitioners say that Lee must have been killed by other whites, but that we leave on one side, as what we have to deal with is not the petitioners' innocence or guilt but solely the question whether their constitutional rights have been preserved. They say that their meeting was to employ counsel for protection against extortions practiced upon them by the landowners and that the landowners tried to prevent their effort, but that again we pass by as not directly bearing upon the trial. It should be mentioned, however, that O. S. Bratton, a son of the counsel who is said to have been contemplated and who took part in the argument here, arriving for consultation on October 1, is said to have barely escaped being mobbed; that he was arrested and confined during the month on a charge of murder and on October 31 was indicted for barratry, but later in the day was told that he would be discharged but that he must leave secretly by a closed automobile to take the train at West Helena, 4 miles away, to avoid being mobbed. It is alleged that the judge of the court in which the petitioners were tried facilitated the departure and went with Bratton to see him safely off.

A committee of seven was appointed by the governor in regard to what the committee called the "insurrection" in the county. The newspapers daily published inflammatory articles. On the 7th a statement by one of the committee was made public to the effect that the present trouble was "a deliberately planned insurrection of the Negroes against the whites, directed by an organization known as the 'Progressive Farmers' and Household Union of America', established for the purpose of banding Negroes together for the killing of white people." According to the statement, the organization was started by a swindler to get money from the blacks.

Shortly after the arrest of the petitioners a mob marched to the jail for the purpose of lynching them but were prevented by the presence of United States troops and the promise of some of the committee of seven and other leading officials that if the mob would refrain, as the petition puts it, they would execute those found guilty in the form of law. The committee's own statement was that the reason that the people refrained from mob violence

was "that this committee gave our citizens their solemn promise that the law would be carried out." According to affidavits of two white men and the colored witnesses on whose testimony the petitioners were convicted, produced by the petitioners since the last decision of the Supreme Court hereafter mentioned, the committee made good their promise by calling colored witnesses and having them whipped or tortured until they would say what was wanted, among them being the two relied on to prove the petitioners' guilt. However this may be, a grand jury of white men was organized on October 27 with one of the committee of seven and, it is alleged, with many of a posse organized to fight the blacks upon it, and on the morning of the 29th the indictment was returned. On November 3 the petitioners were brought into court, informed that a certain lawyer was appointed their counsel, and were placed on trial before a white jury—blacks being systematically excluded from both grand and petit juries. The court and neighborhood were thronged with an adverse crowd that threatened the most dangerous consequences to anyone interfering with the desired result. The counsel did not venture to demand delay or a change of venue, to challenge a jurymen, or to ask for separate trials. He had no preliminary consultation with the accused, called no witnesses for the defense, although they could have been produced, and did not put the defendants on the stand. The trial lasted about three quarters of an hour and in less than 5 minutes the jury brought in a verdict of guilty of murder in the first degree. According to the allegations and affidavits, there never was a chance for the petitioners to be acquitted; no jurymen could have voted for an acquittal and continued to live in Phillips County, and if any prisoner by any chance had been acquitted by a jury he could not have escaped the mob.

The averments as to the prejudice by which the trial was environed have some corroboration in appeals to the governor, about a year later, earnestly urging him not to interfere with the execution of the petitioners. One came from 5 members of the committee of seven, and stated in addition to what has been quoted heretofore that "all our citizens are of the opinion that the law should take its course." Another from a part of the American Legion protests against a contemplated commutation of the sentence of four of the petitioners and repeats that a "solemn promise was given by the leading citizens of the community that if the guilty parties were not lynched, and let the law take its course, that justice would be done and the majesty of the law upheld." A meeting of the Helena Rotary Club attended by members representing, as it said, 75 of the leading industrial and commercial enterprises of Helena, passed a resolution approving and supporting the action of the American Legion post. The Lions Club of Helena at a meeting attended by members said to represent 60 of the leading industrial and commercial enterprises of the city passed a resolution to the same effect. In May of the same year, a trial of six other Negroes was coming on and it was represented to the governor by the white citizens and officials of Phillips County that in all probability those Negroes would be lynched. It is alleged that in order to appease the mob spirit and in a measure secure the safety of the six the governor fixed the date for the execution of the petitioners at June 10, 1921, but that the execution was stayed by proceedings in court; we presume the proceedings before the chancellor to which we shall advert.

In *Frank v. Mangum* (237 U.S. 309, 335) it was recognized of course that if in fact a trial is dominated by a mob so that there is actual interference with the course of justice, there is a departure from due process of law; and that "if the State, supplying no corrective process, carries into execution a judgment of death or imprisonment based upon a verdict thus produced by mob domination, the State deprives the accused of his life or liberty without due process of law." We assume in accordance with that case that the corrective process supplied by the State may be so inadequate that interference by habeas corpus ought not to be allowed. It certainly is true that mere mistakes of law in the course of a trial are not to be corrected in that way. But if the case is that the whole proceeding is a mask—that counsel, jury, and judge were swept to the fatal end by an irresistible wave of public passion, and that the State courts failed to correct the wrong, neither perfection in the machinery for correction nor the possibility that the trial court and counsel saw no other way of avoiding an immediate outbreak of the mob can prevent this court from securing to the petitioners their constitutional rights.

In this case a motion for a new trial on the ground alleged in this petition was overruled, and upon exceptions and appeal to the Supreme Court the judgment was affirmed. The Supreme Court said that the complaint of discrimination against petitioners by the exclusion of colored men from the jury came too late, and by way of answer to the objection that no fair trial could be had in the circumstances, stated that it could not say "that this must necessarily have been the case"; that eminent counsel was appointed to defend the petitioners, that the trial was had according to law, the jury correctly charged, and the testimony legally sufficient. On June 8, 1921, two days before the date fixed for their execution, a petition for habeas corpus was presented to the chancellor and he issued the writ and an injunction against the execution of the petitioners; but the supreme court of the State held that the chancellor had no jurisdiction under the State law, whatever might be the law of the United States. The present petition perhaps was suggested by the language of the court: "What the result would be of an application to a Federal court

we need not inquire." It was presented to the district court on September 21. We shall not say more concerning the corrective process afforded to the petitioners than that it does not seem to us sufficient to allow a judge of the United States to escape the duty of examining the facts for himself when if true, as alleged, they make the trial absolutely void. We have confined the statement to facts admitted by the demurrer. We will not say that they cannot be met, but it appears to us unavoidable that the district judge should find whether the facts alleged are true and whether they can be explained so far as to leave the State proceedings undisturbed.

Order reversed. The case to stand hearing before the district court.

Under any pretense of justice should these things go unchallenged in a civilized country? I hold no brief for either black or white criminality, but I do think every man should have a fair trial before an impartial jury and not be convicted as a result of prejudice, mob law, or intimidation.

I wish to cite to you, as the extreme of mob violence and disrespect of law and order, the record of lynchings, burnings, and murders of human beings that have occurred through mob law since 1927 and down to the present time, and which speaks even louder than words.

LYNCHING RECORD

1927

Name	Date	Place	Manner of lynching
1. Tom Payne.....	Feb. 1	Willis, Tex.....	Hanged.
2. Berry Allen (white).....	Mar. 19	Mayo, Fla.....	Drowned.
3. (white).....	Apr. —	DeQuincy, La.....	Shot.
4. ————.....	Apr. —	Macon, Miss.....	Burned.
5. ————.....	Apr. —	do.....	Do.
6. John Carter.....	May 4	Little Rock, Ark.....	Hanged, body burned.
7. Dan Anderson.....	May 20	Macon, Miss.....	Shot.
8. Will Sherod.....	May 22	Braggadoo, Mo.....	Hanged and shot.
9. Ed. Lively.....	May 25	Leakesville, Miss.....	Do.
10. Jim Fox.....	June 13	Louisville, Miss.....	Burned.
11. Mark Fox.....	do.....	do.....	Do.
12. Owen Fleming.....	June 16	Helena, Ark.....	Shot.
13. Joseph Upchurch.....	June 17	Paris, Tenn.....	Do.
14. Joe Smith.....	July 7	Yazoo City, Miss.....	Hanged and shot.
15. Alber Williams.....	July 21	Chiefland, Fla.....	Shot.
16. Thomas Bradshaw.....	Aug. —	Bailey, N.C.....	Do.
17. Winston Pounds.....	Aug. 26	Wilmot, Ark.....	Hanged.
18. Thomas Williams.....	Sept. 23	Barrettsville, Tenn.....	Shot.
19. Henry Choate.....	Nov. 13	Columbia, Tenn.....	Hanged.
20. Leonard Woods.....	Nov. 30	Whitesburg, Ky.....	Hanged and shot (body burned).
21. Ralph McCoy (white).....	Dec. 22	Los Angeles, Calif.....	Beaten to death.

1927 summary, by States

Arkansas.....	3
California (white).....	1
Florida (1 white).....	2
Kentucky.....	1
Louisiana.....	1
Mississippi.....	7
Missouri.....	1
North Carolina.....	1
Tennessee.....	3
Texas.....	1
Total.....	21

1928

Name	Date	Place	Manner of lynching
1. "Buddy" Evins.....	May 21	Center, Tex.....	Hanged.
2. Ocie Wilson.....	May 30	Slater, Mo.....	Do.
3. Lee Blackman.....	June 2	Boyce, La.....	Shot.
4. Dave Blackman.....	do.....	do.....	Do.
5. Robert Powell.....	June 20	Houston, Tex.....	Hanged.
6. James Bearden.....	June 29	Brookhaven, Miss.....	Do.
7. Stanley Bearden.....	do.....	do.....	Do.
8. "Shug" McEllee.....	July 2	Summit, Miss.....	Do.
9. Rafael Benavides.....	Nov. 16	Farmington, N.Mex.....	Do.
10. Emanuel McCallum.....	Dec. 26	Hattiesburg, Miss.....	Do.
11. Charley Shepherd.....	Dec. 31	Shelby, Miss.....	Burned.

1928 summary, by States

Louisiana.....	2
Mississippi.....	5
Missouri.....	1
New Mexico (Mexican).....	1
Texas.....	2
Total.....	11

LYNCHING RECORD—continued

1929

Name	Date	Place	Manner of lynching
1. "Buster" Allen.....	Feb. 20	Brooksville, Fla.	Hanged.
2. Steve Jenkins.....	May 11	Macon, Miss.	Shot.
3. N. G. Romey (white).....	May 17	Lake City, Fla.	Do.
4. Joe Boxley.....	May 29	Alamo, Tenn.	Hanged.
5. Jim Mobley.....	June 1	Jasper, Fla.	Drowned.
6. Willie McDaniel.....	June 30	Charlotte, N. C.	Hanged.
7. Mose Taylor.....	July 5	Georgetown, Miss.	Shot.
8. Cleveland Williams.....	Sept. 1	Calvert, Tex.	Do.
9. Ella May Wiggins (white).....	Sept. 14	Gastonia, N. C.	Do.
10. Will Larkins.....	Nov. 9	Quincy, Fla.	Hanged and shot.
11. Marshall Ratliff (white).....	Nov. 19	Eastland, Tex.	Hanged.
12. Chester Fugate (white).....	Dec. 25	Jackson, Ky.	Shot.

1929 summary, by States

Florida (1 white).....	4
Kentucky (white).....	1
Mississippi.....	2
North Carolina (1 white).....	2
Tennessee.....	1
Texas (1 white).....	2
Total.....	12

1930

Name	Date	Place	Manner of lynching
1. Jimmy Irvine.....	Feb. 1	Ocala, Ga.	Beaten to death.
2. J. H. Wilkins.....	Apr. 5	Locust Grove, Ga.	Do.
3. Dave Harris.....	Apr. 23	Gunnison, Miss.	Shot.
4. Allen Green.....	Apr. 24	Walhalla, S. C.	Do.
5. John Hodas (white).....	Apr. 27	Plant City, Fla.	Hanged and shot.
6. George Hughes.....	May 9	Sherman, Tex.	Burned (in jail).
7. George Johnson.....	May 16	Honey Grove, Tex.	Shot (body burned).
8. Henry Argo.....	May 31	Chickasha, Okla.	Shot.
9. Bill Roan.....	June 18	Bryan, Tex.	Do.
10. Dan Jenkins.....	June 21	Union, S. C.	Do.
11. Jack Robertson.....	June 28	Round Rock, Tex.	Do.
12. Jacob Robertson.....	July 4	Emelle, Ala.	Hanged.
13. John Robertson.....	do	do	Shot.
14.....	July 6	do	Do.
15. Mrs. James Eyer.....	do	do	Do.
16. S. S. Mincey.....	July 22	Mount Vernon, Ga.	Beaten to death.
17. Thomas Shipp.....	Aug. 7	Marion, Ind.	Hanged and shot.
18. Abraham Smith.....	do	do	Do.
19. Oliver Moore.....	Aug. 19	Tarboro, N. C.	Do.
20. George Grant.....	Sept. 8	Darien, Ga.	Shot.
21. Pig Lockett.....	Sept. 10	Scooba, Miss.	Hanged.
22. Holly Hite.....	do	do	Do.
23. Willie Kirkland.....	Sept. 25	Thomasville, Ga.	Do.
24. Lacy Mitchell.....	Sept. 27	do	Shot.
25. John Willie Clark.....	Oct. 1	Cartersville, Ga.	Hanged.

1930 summary, by States

Alabama.....	4
Florida (white).....	1
Georgia.....	7
Indiana.....	2
Mississippi.....	3
North Carolina.....	1
Oklahoma.....	1
South Carolina.....	2
Texas.....	4
Total.....	25

1931

Name	Date	Place	Manner of lynching
1. Raymond Gunn.....	Jan. 12	Maryville, Mo.	Burned.
2. Charles Bannon (white).....	Jan. 29	Schafer, N. Dak.	Hanged.
3. Steve Wiley.....	Mar. 22	Iverson, Miss.	Do.
4. Eli Johnson.....	Mar. 29	Vicksburg, Miss.	Shot.
5. George Smith.....	Apr. 18	Union City, Tenn.	Hanged.
6. Oscar Livingston.....	Aug. 3	Pointe a la Hache, La.	Shot.
7.....	Aug. 5	Haynesville, Ala.	Do.
8. Richard Smoke.....	Aug. 29	Blountstown, Fla.	Do.
9. Charley Smoke.....	do	do	Do.
10. Coleman Franks.....	Nov. 7	Columbus, Miss.	Hanged.
11. Matthew Williams.....	Dec. 4	Salisbury, Md.	Do.
12. Tom Jackson.....	Dec. 10	Lewisburg, W. Va.	Hanged and shot.
13. George Banks.....	do	do	Do.
14. Isalah Edwards.....	Dec. 20	Conroe, Tex.	Shot.

1931 summary, by States

Alabama.....	1
Florida.....	2
Louisiana.....	1
Maryland.....	1
Mississippi.....	3
Missouri.....	1

1931 summary, by States—Continued

North Dakota (white).....	1
Tennessee.....	1
West Virginia.....	2
Texas.....	1
Total.....	14

ELEVEN LYNCHINGS FOR 1932—DECLINE OF THREE FROM 1931

NEW YORK, December 23, 1932.—A record of 11 reported lynchings for the year 1932 represents a decline of 3 from the 14 reported in 1931, according to statistics made public today by the National Association for the Advancement of Colored People, 69 Fifth Avenue.

Only one State, Florida, had two lynchings during the year. The other States, which each had one lynching are: Arkansas, Georgia, Kansas, Kentucky, Louisiana, Ohio, South Carolina, Texas, and Virginia.

Two of the victims of lynchings mobs were white, the remainder Negroes. Among the offenses charged to the mob victims were: Quarrel with employer who formed the lynching mob; murder; stealing \$10 bill and wounding deputy sheriff; quarrel over pay, resulting in shooting; dynamiting store; insulting white women.

In all cases the mob either hanged or shot its victim, the body being subsequently burned in the case of Henry Woods, lynched at Jasper, Fla.

In making public the figures, Walter White, secretary of the National Association for the Advancement of Colored People said: "Reported lynchings are three less this year than in 1931. But satisfaction at this slight progress must be tempered by the knowledge that quasi-legal lynchings, shootings by members of posses, hasty court trials with results virtually dictated by mobs, as in Scottsboro, Ala., are little if any better than open and unashamed mob murder. The lynching spirit remains the focal problem of law enforcement in America."

The lynchings in their chronological order as listed by the National Association for the Advancement of Colored People, are:

1. Aged Negro. February. Body found in pond, Brooksville, Fla.
2. David Tillus, April 1, Crockett, Tex.
3. Richard Read (white) April 13, St. Francis, Kans.
4. Walter Merrick (white) May 31, Princeton, Ky.
5. Luke Marion, June 7, Ironton, Ohio.
6. Henry Woods, June 7, Jasper, Fla.
7. Henry Russell, August 29, Newton, Ga.
8. Frank Tucker, September 16, Crossett, Ark.
9. Shadrock Thompson, September 16, Warrenton, Va.
10. Henry Campbell, November, Mullins, S. C.
11. Williams House, November 19, Wisner, La.

Mr. Chairman, I ask unanimous consent that the Clerk may read a resolution which I send to the desk and I yield the rest of my time to the gentleman from New York [Mr. FISH].

The CHAIRMAN. Without objection, the resolution will be read.

There was no objection.

The Clerk read as follows:

House Joint Resolution 171

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That the fourteenth amendment to the Constitution is hereby amended, when ratified by the legislatures of three fourths of the several States, and shall be valid to all intents and purposes as a part of the Constitution, by adding to section 1 thereof the following sentence: "To insure to all citizens the equal protection of the laws and a fair trial when charged with crime, the courts of the United States are hereby given jurisdiction to determine, on proper application of any defendant who is charged with crime, whether such defendant's constitutional right to the equal protection of the laws and to a fair and impartial trial is prejudiced by considerations of race, color, or creed, or any other condition to the disadvantage of such defendant, and the said United States court shall have power, subject to the right of appeal as in other cases, to transfer the trial of such case to such other jurisdiction as in the judgment of the court will insure a fair and impartial trial."

Mr. DE PRIEST. Mr. Chairman, I ask that the resolution be referred to the proper committee.

Mr. Chairman, I yield the rest of my time to the gentleman from New York [Mr. FISH].

The CHAIRMAN. The gentleman cannot yield in the second degree.

Mr. DE PRIEST. Then I yield back the balance of my time, Mr. Chairman.

Mr. BUCHANAN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Chairman, I want to direct the attention of those dealing particularly with our economic

problems to one element in the situation which I think ought not to be forgotten.

We are dealing with inflation. We are giving to the President many different sorts of power, and the public opinion and the public purpose of the Nation are concentrating themselves upon our economic difficulties.

I have been here 20 years. It seems to me a great pity that Members of Congress cannot assemble and, figuratively speaking, sit around the council table and without oratory and without passion give intelligent, constructive consideration to their difficulties.

We have in our economic organization a maladjustment which lies at the seat of our trouble. The physician who finds his patient ill seeks by intelligent diagnosis to discover the origin of the trouble. I do not believe we are accustomed to doing this in dealing with our legislative difficulties. Some fellow gets up and makes a great big speech and somebody gets up on the other side and says it is not true, that the other thing is right. Fundamentally this is one of the difficulties. Fundamentally this is the reason we are in this situation. We have had plenty of intelligence in this country to have prevented our getting into the difficulty we are in, but we have not applied our intelligence to our problem.

We have given to this crisis in its approach as low an order of applied intelligence as ever a people gave to their difficulties. I am talking about a people now, just a people. Really, we have not given a standard of intelligence to these approaching difficulties that would reflect any credit upon 14-year-old children. I am speaking about the American people, about you and myself, your people and my people.

Another difficulty with us is that we are each one looking after his own interests, and it is natural for each to look after his own little group, but we have got to broaden out. This was all right when the individual was the economic unit and the community was the economic organization. Then we could do it. But it is not all right when your business is part of the business of my people and the business of my people is a part of the business of your people.

This is one time where we will stand or fall together. New England and Texas are one. They are part of the same economic body. We must take this psychological attitude toward our problem in order to have any chance of pulling out of the situation we are in.

I recall in the city of Dallas last fall a man whose business it was to buy jobs, that is, to buy bargains, went up to Boston, Mass. It is a long distance from Dallas, Tex., to Boston, Mass. In 5 days he spent all the money he could get buying jobs. Everybody wanted to sell him everything he had. He came home. Cotton jumped from 6 cents to 9 cents. He was able to obtain more money. He went back to Boston, stayed there 2 weeks, but could only buy \$5,000 worth of stuff. The advance of the chief crop of Texas changed the market in Boston before he could get back there.

Those of us who live in the cities have the city man's angle. Those who live in the country are disposed to have the country man's angle. I live in the city myself. We have a few notions in this country that we have more or less inherited, into which we never stop to examine. In the South, where I was raised, the generation to which my father belonged inherited the institution of slavery. They never thought anything about it. I cannot conceive how anybody ever would have favored it, but they did not understand anything wrong about it. They never really thought about it. Nothing is strange which you are used to. There were no very funny names where you were raised. In New England the institution of the protective tariff has been inherited. When you were a boy you went down to your father's business establishment and found it operating under the protective tariff and you never stopped to examine the situation or the institution. I have learned to love the people who live in New England and other sections of the country. They are the same sort of people as my people. We live under different environments, that is all. It is a perfectly disgusting thing to see people who live in one com-

munity who, because they are not related to some problem as other people are, strut around as though they were made better than other people. It is not really disgusting; it is just rather pathetic. We are the creatures of environment. I understand that.

Some of my friends from New England were talking to me the other day about paternalism and they were terribly against paternalism, or they thought they were; but if I had suggested, and I did suggest in conversation with them—and wait until I get through before you draw your conclusions about what I am driving at—we talked about the tariff and I said the tariff is an exercise of the paternalistic power of government. It is the plan by which the Federal Government sees to it that the beneficiaries, the wards of the Government, get more money for their commodities than they otherwise would get. They realized this, the result. They were not willing to admit that it is paternalism. It is just a rearrangement of the story not as to whose ox had been gored but of whose ox was being fed. There is no use getting excited or calling anybody names. That attitude is not local; it is rather general among human beings. The mistake and hurt, however, are in concluding because of that fact it is a sound attitude.

I am not going to make an antitariff speech now. This is just a part of the diagnosis. Agriculture is a part of every business—in a definite sense the root of every business. It is a part of the one economic body. It is where we took sick economically. In a state of nature where economic law has control everybody buys in the cheapest market and sells in the highest market. In such a market the law of supply and demand operates freely. This is a state of nature. Then we begin to talk around in the country that we wanted our producers to live under better conditions than the producers of the rest of the world, and the scheme we adopted to bring this about was the protective tariff.

Listen to me, now, because I am not going to make the kind of speech you think I am going to make. That benefit operated to disturb the functioning of natural law. When we adopted the protective tariff we arbitrarily raised the prices of the people who were benefited by the tariff one notch above free trade. Of course, somebody had to pay the boosted prices. Immediately that lowered the grain-producers and the cotton-producers and the producers of exportable surpluses a notch below free trade, because they could not buy in the cheaper markets where they sold. This Government would not permit it.

I am talking to you now about the maladjustment of the economic machinery of this country. That is just as important to the city people and, in the long run, to the manufacturer himself as to the farmer, because there are laws of God Almighty which govern the economic body that are just as dominating and controlling as are the laws that govern the human body. We cannot any more violate them in business policy and in economic policy than we can violate them in our human body and escape.

This condition we are in now is not accidental. It comes from a violation of the laws of God Almighty that govern the economic machinery of the universe. As doctors, the time is at hand when we must make a candid diagnosis of the condition of this patient and then use our good sense in dealing with it. It does not make any difference where we live or what our business is, this thing is not far away from us. It is in us and of us, because now all businesses are interrelated and interdependent to such a complete degree as to make up one unit with a circulatory system as clearly defined as is that of the human body.

The grain farmers and the cotton farmers cultivate about 80 percent of the acreage of America.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I was talking to some of my friends in New York not long ago about their business conditions. They are great business men, great captains of industry, and I asked them, "How do you expect

to sell your stuff in New York to people who are able to buy with only that amount of money which they receive from 8-cent oats, 15-cent corn, 5-cent cotton, and 25-cent wheat?" Those are about the prices which farmers got on the farms for the last crop.

You cannot take any more blood out of your hand through the venous system than you put in through the arterial system. That is all there is to it. This thing that is most wrong with us is a disturbance in the circulatory system; that is all. Many things are suggested; many things are doubtless needed now; but I do not care what else we do—I make this statement, and I am just as certain I am right as I live—in some sort of way we have got to give back to these producers of exportable surpluses that which represents the disadvantage which this Government creates between the protected status, the price-booster status, of those whose prices are boosted and the farmers whose prices are below free trade.

I do not say you ought to abolish the tariff. I am not talking about it at all. I am talking about a maladjustment. Here are these farmers who take their cotton and their grain and sell it in competition with the cheapest producers on earth. We are not talking about a theory; we are talking about a fact, dealing with this economic body that is made up of all the industries and all the people of this country.

To these farmers the American market is the poorest market in which they sell. For the manufacturers it is the best market. To the American farmer it is as much lower than the foreign market as the cost of transportation from America to the foreign market.

Now, there has to be something done about it. That is what I am saying. I do not say now what you have to do about it, but I say you have to do something about this maladjustment. It violates the law of God Almighty that governs the economic body of this country. I do not care what your notion is; I do not care where you live—it has got to be done, and if we had done it before or if we would do it now we would not have to be giving all these extraordinary powers to the President of the United States, which are dangerous powers for anybody to possess. But under our circumstances it is perhaps more dangerous not to give them. That is the price we pay for the violation of a natural law.

When you trace down to the genesis of these dangerous things that governments do, you find 9 times out of 10 you are compelled to do dangerous things because you did not do the sensible, safe thing when you ought to have done it.

Suppose this thing were reversed. Suppose the manufacturers of this country sold in competition with the cheapest producers on earth. Let us get this picture. You know you cannot think in just any language you have knowledge of. Ordinarily you think in your native tongue. Suppose the manufacturers of this country sold in competition with the cheapest producers on earth and had to bring this money back here and buy agricultural products at boosted prices. How long could they do it? They say they cannot even sell in competition with the cheapest labor on earth, do they not? They say they cannot survive and do it, do they not? Then in the name of common sense how can the farmers not only sell in competition with the cheapest labor on earth but out of the proceeds of such sales pay these tariff-booster prices in the highest market on earth? Talk about the law of supply and demand for these farmers controlling in such conditions is sheer nonsense. It is just a matter of plain horse sense—it cannot be done. But we do not even let them sell on a free-trade basis; do not forget that. We make them bring their money back here and pay the boosted prices.

I am not appealing to any prejudice; I am not talking for the farmers; I am talking for the idle millions who are walking the streets of our cities.

Agriculture is one business that is producing practically 90 percent, or it is producing practically 100 percent.

Now, I want you to visualize this. Agriculture is selling at least 80 percent of its products. Here you have a big pro-

duction movement out to the city, but the trouble is we do not give the farmers enough money to draw the commodities movement from the city in their direction.

I do not care what your attitude is toward the man on the farm. We have got to work out a plan that will give him enough money in this movement of his in our direction so that we can move our stuff in his direction.

Inflation and all that kind of thing may be necessary under the circumstances which we have permitted to develop, but, in my notion, we have plenty of money, we have plenty of factories, we have plenty of people to operate them, plenty of transportation facilities, but things are not circulating. We have got to have circulation; and in order to get it the relative price of what the farmer sells must be increased until it is raised to the point where trade contact is established between his products and ours. Everybody who has any sense knows it—I mean anyone who has just a little bit of sense—if he will only look at things as they are.

When you come to examine it historically, our difficulty began in the paralysis of the purchasing and debt-paying power of these 30,000,000 farmers. I am not arguing anything, but stating what everybody knows to be the fact.

What happened? They got where they could not buy the factory goods—trucks, clothes. Agriculture is a business that wears out stuff. They use up wagons and tools; they wear out their clothing; they are consumers of everything from the factory.

I am not theorizing but I am only stating facts.

When they got where they could not sell the products of the farm at a price which would enable them to buy products from the factories, they had a little money in the bank, a little equity in property. They spent their reserves and they borrowed more money. Then they reached the point beyond which they could not borrow any more. They could not get anything from the reservoir. It was dry.

Then the village like the one I used to live in, which rested directly on top of the farms, composed of a thousand people, who got everything they had from the farmers, when the farmers could not buy from them, still the people of the village kept on buying a little while longer. Then the cities like Dallas, that I live in, with approximately 300,000 people did not buy as they had done, because they could not sell to the villages, and the villages could not buy because they could not sell to the farmers. But people in cities like Dallas drew on their savings for a while.

That sort of thing, like creeping paralysis, went on until cities like Boston and New York were in the same condition.

Now, what would a good doctor do? What would anybody with good sense do? I think he would start up the circulation where the paralysis began.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman 5 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I am not trying to do any oratorical stunts. We have all got to sit around the council table. We fellows from the South, we men from New England, we from the West and the North are not getting anywhere with all this legislation we are passing now, except just hoping to live until tomorrow. The real job is yet to be done. I am not criticizing. I am going along with the program. The President is trying to turn us face around in the right direction. I am doing my mite to help, but we must not forget the job of tomorrow, everybody's job.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. MOTT. Everyone, of course, will agree with everything the gentleman has said, particularly his statement to the effect that what should be done is to get our wealth and products and money into circulation.

Mr. SUMNERS of Texas. Yes.

Mr. MOTT. Has the gentleman a suggestion as to how Congress can bring that about?

Mr. SUMNERS of Texas. I believe I will speak about that briefly though my purpose on this occasion is to help, if I can, toward an agreement upon at least one basic thing

upon which, in my judgment, there must be agreement if we are to work out of our difficulty. I have spoken of the tariff. I recognize that we cannot at this time deal with the tariff as an academic proposition. I recognize that as a fact. I believe this country made two tremendous mistakes. One was slavery and the other the adoption of the protective tariff. I believe if we had remained an agricultural country, and our people had done their own work, and we had let nature take its course, we would have had cities early enough, but we cannot deal with that now. I lay this down as a sound proposition: As long as we have the protective tariff we have to give back to these producers of the exportable surpluses, arbitrarily, by the Government that which we take from them arbitrarily by the Government to maintain the tariff system. Answering the question propounded to me, I favor a straight export debenture, myself. Does that answer the gentleman's question?

Mr. MOTT. That answers it partially. I also believe that way if the gentleman cares for my views. But my particular question was directed to the possibility of Congress doing anything to restore prosperity by getting our goods and wealth and money into circulation, as the gentleman has suggested. Does the gentleman think Congress has already done that?

Mr. SUMNERS of Texas. I repeat what I have said; we have been going along foolishly and irresponsibly until we have reached the brink. Extreme measures have to be resorted to to save us from the most imminent peril of the greatest magnitude. Arbitrary things are being done, but these things do not fit into the ordinary times and lives of a free people. They do not tend toward self-thinking and self-acting, without which the development of individual capacity necessary to maintain free government is impossible.

If we revive the buying power of these farmers by giving back to these farmers what we have taken from them by the might of government to support the tariff-boosted prices of others, I think it would help very much. This is the one place in our economic body where we know that an act of government has disturbed natural arrangement. We will have to give it back to them arbitrarily, since we have taken it away from them arbitrarily. I do not believe in the idea that is involved in many of these measures, that we should regard our agricultural surplus as something that is a curse from God to be got rid of. Why, there is not a statesman in Central Europe who would not give half the economic strength of his people to have that sort of a surplus. I agree we are producing too much. The land is too hard-driven. There are two sides to this problem, and we must not lose sight of the other side. From what I see of the people, it is as much a problem of underconsumption as of overproduction. If we would reestablish the broken trade contact between our factories and our farmers, we would consume more of their products and they would start our idle people and our idle factories to work. If we would give to them in addition to present prices what we take from them to boost our factory prices out of their reach, we would about do the job, aside from the condition created by our indebtedness, and it would help that greatly.

Mr. MOTT. That is my question. What does the gentleman suggest?

Mr. SUMNERS of Texas. Straight export debenture. That is my notion. Of course I am going along with the program.

Mr. MOTT. That will restore prosperity?

Mr. SUMNERS of Texas. It would greatly help. That is what I think. If you can revive the buying power of these farmers, give to them for that which they sell to us a price proportionate to that which they pay for stuff that we sell to them, they would begin to buy and villages like Garland, where I used to live, would buy and cities like Dallas, where I now live, would buy, and factories would hum again. There is no doubt about that. I do not care what you do. You can inflate and inflate and do whatever you please. That would help probably with our indebtedness. But until you remove that economic maladjustment under which a

part of the producers of this country have their prices boosted above free trade and part of the people have their prices driven below free trade, you cannot straighten this situation out.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield? Mr. SUMNERS of Texas. Yes.

Mr. EDMONDS. I take it that you think now that the present bills that we are passing are only temporary and that the result will not be permanent?

Mr. SUMNERS of Texas. That is right.

Mr. EDMONDS. And Congress should get to work and do something that will permanently meet this situation.

Mr. SUMNERS of Texas. I would like to put it in this way: Democrats, Republicans—East, West, North, and South—I think the time has come in this country when, regardless of where we come from or what our people do, we have to recognize that we are one country and that every business is a part of every other business, and devote good old-fashioned practical horse sense to a consideration of our problems, recognizing that there are laws of nature, laws of God Almighty, that govern the economic and political machinery of the people, just the same as there are natural laws that govern the machinery of the human body, and that a maladjustment such as I have pointed out must be corrected, just as a similar maladjustment in the circulatory system of the human body would have to be corrected. And it is a job for all of us and big enough for all of us, Democrats and Republicans, from the North and the South, and from the East and the West. Of course, there are other important problems, such as marketing, preservation of soil fertility, and so forth, but in this discussion I am dealing with only the one, this governmental discrimination against agriculture and the effects for which that discrimination is in no small degree responsible, and which must be corrected regardless of what else may be done. [Applause.]

Mr. BACON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I had gotten my alleged mind all worked up and lined out to make what I have heard called in another body a few unnecessary observations concerning certain features of the so-called "independent offices appropriation bill", but listening to the exceedingly interesting address of the gentleman from Texas [Mr. SUMNERS] has pretty nearly thrown me out of step, and I am fearfully tempted to discuss what he has been discussing.

Mr. SUMNERS of Texas. Please do so.

Mr. WADSWORTH. I shall not for any length of time, but may I say, without making any effort to diagnose the nature of all our troubles and with not much confidence that I would ever be able to propose a panacea, that commencing with August 1, 1914, the human race has suffered from its own excesses in peace and in war. Certainly no one would deny that the four and a half years of warfare was an example of human excesses never equaled in the history of the world.

The destruction of property and life which we, in our optimism, believed for a few years after the close of hostilities could be repaired in a moment, that same destruction of property and of life at wholesale is still handicapping our efforts toward progress. Then, instead of behaving sensibly immediately upon the close of hostilities, a so-called "treaty of peace" was entered into at Versailles, many of the provisions of which violate all sense of proportion and decency of thinking people, patriotic people, in various nations, and many of which, in addition, violate economic laws, especially in their effect upon international trade.

Then, again, in our optimism we allowed ourselves to fall prey to that human weakness which leads multitudes of people into believing that the past may be forgotten—the destruction, distress, and sorrow—and to embark upon a great program of industrial expansion the world over. And the cry was, in spite of the huge debts piled up during the war, figures never before dreamed of in the history of man, "let us borrow some more; let everybody borrow"—governments,

States, municipalities of all kinds, villages, counties, school districts, corporations, individuals. The cry was for more credit. I heard it in another branch of this Congress 7, 8, 9, or 10 years ago. More credit! more credit!—forgetting that every time you create additional credit you create an additional debt. So it went, a perfect orgy of it, some of it politically agitated by the people of both great political parties in this country; much of it politically agitated by leaders of political movements in other countries, and government after government went into it, government after government tried to persuade their people to go into it still further and further, until finally the props which for the moment, for a few years, had upheld this great flimsy structure, those props which had been weakened by the wholesale destruction of property during the World War, collapsed, and the whole business smashed down into the cellar, the effect, in my humble judgment, of the excesses committed by human beings in peace and in war. The human race has piled up a debt in the aggregate which it cannot pay. It is too big. This Congress is making an effort to relieve certain sections of our people of that debt. I might make this observation, that a large portion of the ills of the people of this world today is due to the unwise political acts of governments and of peoples. [Applause.]

And if we would repeal, if nation after nation would repeal nine tenths of the attempts to alter economic law by statute, we would emerge from our difficulties a great deal quicker than we will by any artificial device added to the multiplicity of artificial devices already on our statute books. [Applause.]

Mr. THOM. Will the gentleman yield?

Mr. WADSWORTH. I yield; yes.

Mr. THOM. Will the gentleman specify the particular pieces of legislation in the United States that ought to be repealed? Not all of them, of course.

Mr. WADSWORTH. For one, I never had any confidence in the attempt to fix or peg prices of wheat and cotton.

Mr. THOM. Well, that has been repealed.

Mr. WADSWORTH. Yes; that has been repealed. I have no faith in this farm-relief measure. It is a price-fixing measure, and in my judgment its provisions are fantastic. It will not help the farmers of this country or the country at large. It is another artificial device engaged in by Government. I do believe that those measures which tend soundly to relieve great numbers of people of the severity of their debt, so that it may be extended over a period of years and make it a little easier for the debtor to pay, are wise measures. I have supported and would continue to support measures of that kind, such as the farm mortgage bill and the home owners' mortgage bill, each of which, as you will recall, provides for certain bond issues, \$2,000,000,000 in each bill. My present dread is that inflation will destroy the value and effectiveness of those bonds, and that those two measures will be killed by that third measure which is contained in the omnibus bill now gone to conference.

Mr. RANKIN. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. RANKIN. I think the gentleman put his finger on the sore spot when he spoke of the overwhelming burden of debts throughout the world as a result of the World War. Will the gentleman suggest how those debts can be met? how that question is to be disposed of?

Mr. WADSWORTH. I think no one government can do that, and I doubt if any government can do it within its own borders.

Mr. RANKIN. Can they all do it on present price levels?

Mr. WADSWORTH. It is doubtful that they can all do it simultaneously at present price levels, but it is equally doubtful that governments, acting together, can arbitrarily change price levels.

Mr. RANKIN. I am not trying to argue with the gentleman, but I am trying to get his idea as to what policy, in his judgment, it would be necessary to pursue to meet that overwhelming burden that confronts the people of the world today.

Mr. WADSWORTH. Generally speaking, I would answer the gentleman in this way: As soon as possible, let economic law take its course.

Mr. RANKIN. It is taking its course now.

Mr. WADSWORTH. No; it is constantly interfered with. And thus far the interference has done no good.

Mr. RANKIN. Suppose we let the economic law take its course. Today we are on a price level about one third or one fourth as high as it was when these debts were incurred. We are now asked to pay these debts—not only the people of the United States but, as a rule, the people of the world are asked to pay these debts—fixed charges, with commodity prices; and if you take it on an average, including wages, and people who are receiving no wages at all, the average is only about one third of what it was when the debts were incurred. Under these conditions how are the people of the world ever to meet these debts without bringing this price level back to what it was when the debts were incurred?

Mr. WADSWORTH. The gentleman evidently has in mind, of course, an increase in the circulating medium as the method of bringing up the price level. My judgment is—and I do not pretend to be an economic expert concerning these things—that that is another artificial device which, while it is attractive, may turn around and hit you before you have had it in operation very long.

Mr. RANKIN. We had an inflation of the circulating medium at the time these debts were contracted. Now, my only answer to this question is to bring back the price level by an increase of the circulating medium. By what other method can we find a way out of this dilemma?

Mr. WADSWORTH. I have not believed in the export debenture. Nevertheless, it has always appealed to me that the prosperity of agriculture—and I agree with the gentleman from Texas that the prosperity of agriculture gives prosperity to the rest of our economic structure—rests upon its ability to get rid of its exportable surplus. The return of the buying power of the rest of the world is just as important as the restoration of the buying power of our own people. I do not believe buying power can be restored by doubling the number of dollars.

Mr. SUMNERS of Texas. Mr. Chairman would it interrupt the gentleman if I asked a further question?

Mr. WADSWORTH. I want to get to another phase before very long. I did not realize I was getting in so deep.

Mr. SUMNERS of Texas. We will get the gentleman more time. The gentleman is very well informed. The gentleman has spoken of the artificial and arbitrary nature of many devices that have been used. In the judgment of the gentleman if one arbitrary thing is at work can we expect the economic law to correct the results of the arbitrary thing?

Mr. WADSWORTH. No; we cannot.

Mr. SUMNERS of Texas. Then it is necessary to do another arbitrary thing to balance against the first one.

Mr. WADSWORTH. I wonder if that is the right way to solve it? I am not directing attention solely to the protective tariff in the principle of which I believe, but there are too many arbitrary things going on the world over these days that interfere with these natural laws.

Mr. SUMNERS of Texas. I agree thoroughly with the gentleman. Let us take the principle of the tariff for instance. The tariff is a policy under which by might of government something is taken away from one group and given to another. This being so, is it not necessary to take back from this group and give it to those from whom you have taken it in order to counteract the interference with the operation of the natural law?

Mr. WADSWORTH. I have not attempted to make a complete discussion of the whole situation.

Mr. SUMNERS of Texas. I wish the gentleman would take the time to go into it farther.

Mr. WADSWORTH. I do not have enough time to completely discuss this subject.

I think others than the United States are involved in this thing. I think no additional artificial device employed by

the United States will correct our whole domestic situation until artificial devices in other countries can be done away with. Today there are quotas and restrictions against us and all sorts of things directed against the United States.

Mr. SUMNERS of Texas. Would it interrupt the gentleman if I asked one more question?

Mr. WADSWORTH. It certainly interrupts, but I do not mind. I shall try to answer the inquiry, but I am not sure I know the answer.

Mr. SUMNERS of Texas. Well, none of us does.

Mr. WADSWORTH. I admit I am groping around myself.

Mr. SUMNERS of Texas. Well, all of us are. We have plenty of time this afternoon. The galleries cannot hear us, so we might as well talk about this thing.

Mr. WADSWORTH. It is a pleasant conversation.

Mr. SUMNERS of Texas. And a valuable one, too. Here is my opinion: With agriculture prostrate and almost bled white, should we not give it a blood transfusion? Would not that be the evolution of natural law?

Mr. WADSWORTH. No; that is not the evolution of natural law. I do not think the pending measures constitute blood transfusion. I speak from the point of view of a farmer. That has been my life and the life of my father before me.

Mr. CLAIBORNE. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I was endeavoring to reply to the gentleman from Texas. Perhaps I had better proceed with what I arose to say. He has greatly tempted me.

Mr. ALLGOOD. We will yield the gentleman more time.

Mr. TABER. Mr. Chairman, I yield to the gentleman from New York 15 minutes' additional time.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. ALLGOOD. The gentleman said he believed in letting things take their natural course. Does that mean liquidation?

Mr. WADSWORTH. No; I do not think we need to liquidate entirely. A vast amount of liquidation has taken place already and I dare say it is not all over yet.

Mr. ALLGOOD. I understand that the funded debt of the Nation, the towns, cities, and municipalities, including also private debts, aggregates about \$240,000,000,000.

Mr. WADSWORTH. I am not familiar with the figures.

Mr. ALLGOOD. And that our estimated wealth is about \$230,000,000,000 or \$240,000,000,000.

Mr. WADSWORTH. That is a bad prospect.

Mr. ALLGOOD. If you let matters take their natural course and liquidate, the gentleman can see the condition in which we will all be. It will just mean the wiping out of our holdings.

Mr. WADSWORTH. On the gentleman's statement, that is a bad prospect.

I said a moment ago that I had not much faith in the pending measure for the relief of agriculture. I referred to the "farm relief bill," so-called. I think that is an additional artificiality which will not work, and I was about to say I am rather old-fashioned on that, being in the business myself and having been in it all my life.

Thus far, in my humble judgment—and I say this with much humility and with some trepidation—I have gained the impression that most of the so-called "farm relief bills" have been well calculated to relieve the farmer of what he has left, and as a member of that trade or vocation I as an individual would rather be left alone, provided I can get some easement for my debt. I do not want my business regulated by the Secretary of Agriculture or anyone else. If I am not fit to conduct it, then I deserve to lose it, and I hope that Uncle Sam will never be dressed up as a nurse-girl to take care of people who cannot run their businesses.

Mr. BROWN of Kentucky. If the gentleman will yield, I should like to ask the gentleman if Uncle Sam has not been acting as a nursemaid for special privilege in this country for many years, and if the Government has not pegged the price of aluminum and the price of plate glass and the price of many other articles that have been controlled by

those in high Government authority in this Nation for many years.

Mr. WADSWORTH. I had not been aware of that, and had thought competition still existed in this country, and I still hope it does.

I now desire to get to another branch of my statement.

Mr. PATMAN. May I suggest to the gentleman that the price of aluminum has remained the same during this time?

Mr. WADSWORTH. If I may now continue my old-fashioned remarks, I had expected to say something on the independent offices bill in relation to that part of the bill which gives to the President the power to do things to the Army. I had thought that bill would come before the House this afternoon, but I am informed it will not come before the House until Monday afternoon; and as I shall not be able to be here on Monday, being under obligation to pursue an agricultural errand upon that day in the city of Chicago, at the much-abused stockyards, I am imposing upon the patience of the House for a few moments to say something about the Army and some of the proposals which have to do with it.

Not long ago there was given out from some source of authority—I cannot quite identify the source—a program for a drastic reduction in the Army of the United States, designed to save, it is alleged, \$90,000,000 from the military activities appropriations for the War Department.

The program included proposals for the furloughing of between three and four thousand Regular Army officers at half pay, plus pay to enable them to reach their homes wherever those homes may be, and most of them have no homes; the discharge of 12,000 enlisted men from the Army; a substantial reduction of flying pay for the members of the Air Corps; the abandonment of the National Guard training camps, which are run each summer for 2 weeks; the abandonment of the Reserve Officers' Training Corps training camps; and various other reductions in the military activities of the Army of the United States.

I say that I have not been able to identify the source of this announcement which was made Nation-wide and in great detail. I sat as a spectator in the room of the Committee on Military Affairs the other day listening to an assistant to the Director of the Budget while the members of the committee, and especially the chairman, the gentleman from South Carolina [Mr. McSWAIN], who is present here, endeavored to find out just what were the plans of the administration with respect to the handling of the Army and the proposed economies. I think I am not far wrong in saying that the committee found out just exactly nothing, as the gentlemen before the committee at that time said there were no plans and he did not know where these suggestions had come from, and that all that he had in mind was that the President be given the power to do all these things, which, of course, leaves me, and would leave the average Member of the House of Representatives, completely in the dark as to what is to happen to national defense if these bills pass.

I do not need, I am sure, to enlarge upon the terrific effect upon the Military Establishment of the carrying out of the proposals which have been made. I suspect some of them will be abandoned, because already they are beginning to acquire an atmosphere of absurdity. For example, with respect to the proposal to furlough between 3,000 and 4,000 officers of the Regular Army at half pay, let us remember another thing which the Government is embarked upon, and that is the so-called "reforestation camps."

I happened to drop into the War Department the other day to inquire about the progress made in recruiting these unemployed young men and sending them to the camps and was shown a map of the United States upon which there were indicated by pins inserted in the surface of the map the camps which have thus far been approved. This was at the beginning of last week.

Up to that day 749 of these forest camps had been approved as to their location. The War Department, the General Staff, has been informed by higher authority that the total number will be 850 camps.

It is interesting to know that while the bill which authorized the President of the United States to take these 250,000 young men was under discussion, and sometime before, it was generally understood and asserted by a large number that there would be nothing military about the camps. Perish the thought, said the pacifists, that 250,000 of these young men should be put under the brutal influence of officers of the Army. That would be a terrible thing. So it was announced at that time that the Labor Department was going to do the work of recruiting and sending the men to the camps. But it turned out that the Labor Department had no offices distributed over the United States suitable for gathering in this army of 250,000 young men. Suddenly somebody remembered that the Army had recruiting stations scattered over the country, and so a hard-boiled sergeant out on the sidewalk herded them together, took them upstairs, and an Army medical officer gave them an examination.

Then it was remembered that the Labor Department did not have any places scattered over the country where these youngsters could be conditioned. So, come to think of it, the Army has posts, and we will send them to the Army posts; and so it was done. And the recruits were sent to the quartermaster stores, where they were fitted out and given blankets, and so forth.

Then it turned out that the Labor Department had no means of feeding 250,000 young men, but, come to think of it, the Army quartermaster has those facilities, and so the old rolling field kitchen made its appearance. Then, later on, it was determined that some sanitary measures had to be enforced, and the Labor Department has no facilities for that. But, come to think of it, the Army had officers with medical training, and so medical officers were put in the camps.

Then, of course, there must be some kind of discipline, and so it has been determined that 4,000 officers of the Regular Army must go to the camps and remain on duty for the duration of the camps.

My suggestion is, why delegate to the President power to furlough officers out of the Regular Army, when the War Department is already under instructions to use 4,000 of its officers for this forest army, and the furloughing of Regular officers is utterly impossible unless, indeed, we want to take the absurd step of one group of officers being turned out at half pay and reserve officers being brought back to active duty at full pay in their places. These things occur to us from time to time as we read of these proposals. Somebody got off on the wrong foot with respect to this particular one. It may have been a trial balloon or just an error, a poor calculation. To me—and I do not mean to use any harsh language—it has the aspect of being a half-baked proposal.

I want now to read a letter from a corporal in the Regular Army. His name is Gallagher, a pretty good fighting name. Gallagher is the type of man which I dare say Professor Moley and Professor Tugwell have never come in contact with. It is apropos of the duty which the Army, with little thanks from anybody—that is the fate of the Army in time of peace—is now doing with respect to the C.C.C. camps. That sounds like an hypodermic injection, but it is not. It is the Civilian Conservation Corps. This letter is written to me under date of April 21. Gallagher has something to say about the regular soldier, and so seldom is it that the regular soldier's psychology is discussed on the floor of Congress that I beg you to listen to this letter. You may be somewhat surprised at its literary style and the intelligence with which the man discusses a very human problem.

Before reading the letter I say that in the interview, to which he refers in the Buffalo paper, I made the statement that the private soldier receives \$21 a month. The letter reads as follows:

BUFFALO, N.Y., April 21, 1933.

The Honorable JAMES W. WADSWORTH,
House Office Building, Washington, D.C.

DEAR SIR: Today's issue of the Buffalo Courier-Express carries an article relative to the statement by the Congressman dealing with the economic angle and relation of the Regular Army and the Civilian Conservation Corps. It is only natural that I, or any

other enlisted man of the Regular Army, should take cognizance of your particular statement. Hence this letter.

The statement in itself explains a thought that has been in every enlisted man's mind ever since the idea of the reforestation camps was instituted. On one hand are professional soldiers—who have devoted the best years of their lives to the service of the country—training men who, under ordinary conditions, would have ridiculed the soldier's occupation, and are receiving a pay in excess of the individual soldier.

A "forest army" recruit receives \$30 per month; takes no oath of enlistment, but rather an "oath of enrollment", which in reality is no oath at all. If perchance he decides that his mother made better meals or that his bed at home had been a little more comfortable, all he has to do is to pack up his few personal belongings and his home. There is absolutely nothing that can be done, either by disciplinary action or moral ethics. As a matter of fact, the "political army" hasn't one binding tie.

On the other hand, the Regular Army soldier is bound by his oath of enlistment, and voluntarily so, in addition to Army Regulations, garrison and company orders. The pay of a private is not \$21 per month, the recent 15-percent reduction setting his pay at \$17.85 per month. His laundry deduction further reduces this amount until the average is receiving but \$16.35 in actual cash each pay day. Of course, Army critics will say this is all clear money. But is it? From this amount the soldier is required to maintain his uniforms and equipment in a clean and serviceable order. The purchase of cleaning polishes and the pressing of his uniforms will require at least \$2 more per month of the soldier's money. His toilet articles, hair-cuts, and cigarettes will still further reduce this amount to the point where a private who has a \$10 bill left is rather fortunate. Under present economic conditions many enlisted men are aiding their relatives in whatever small way they can; and granting that he sent the entire amount over and above his actual necessities, he could not help more than to the extent of \$10 per month.

At the present time I am a member of the Second Corps Area recruiting service, assigned to duty at Buffalo, N.Y. On April 10 this station began the allotted 600 applicants for the city of Buffalo. On April 14 the Buffalo office had completed its quota, 300 men having been sent to Fort Niagara, N.Y., and 300 to Madison Barracks, N.Y. Every one of these men was sent to this office from the Labor Department through the local welfare agency. Naturally each applicant was required to present his enrollment application, duly approved by the labor and welfare departments, when he arrived here. In no case was there an application which contained a dependency allotment for less than \$22 per month, and in a few cases it reached \$25 per month to dependents. This is all very fine, and no doubt will be of great assistance to many deserving relatives, but Regular Army soldiers under the same conditions cannot allot more than \$10 per month to their needy dependents. Under present Army recruiting standards it is safe to say that not more than 30 percent of the forest-army applicants could have passed the Regular Army mental and physical examinations, while the Civilian Conservation Corps requirements were summed up in the telegraphic instructions as "to be able to perform ordinary labor."

As a matter of record, a large number of the Civilian Conservation Corps enrolled applicants were men who had previously been rejected at this station for Regular Army service, and because of this inferiority they now receive \$30 a month instead of the Regular Army pay of \$17.85 per month. Even as a private, first class, in the Regular Army he would be receiving but \$25.50 per month at present. Is it any wonder, then, that many Regular Army soldiers are speaking of taking their discharge upon dependency and enrolling in the forest army? In the interest of economy such a procedure will have defeated its own purpose. Now that the administration is considering the discharge of 12,000 enlisted men, it will in many cases not only place the discharged soldier upon the shoulders of some welfare agency but, in the absence of his assistance, will very often place his immediate family upon a charitable agency. All this aside from the point of moral and self-preservation. It seems that the Regular Army soldier is the real "forgotten man." After all, he, too, is a citizen of the United States.

Thanking you for your tolerance, I am, confidently and respectfully yours,

WILLIAM M. GALLAGHER,
Corporal (DEML) (RS).

I might inject this observation in view of the statement I just read: That I heard today, through an indirect channel, but nevertheless entirely reliable, that a major general commanding a division in the Southwest reports that his men are tumbling over themselves trying to get out of the Regular Army and into the forest army.

Mr. THOM. Service in the forest army, of course, will only be for 6 months, the gentleman understands?

Mr. WADSWORTH. I do; but I have been talking about the psychological effect upon the soldiers of the Regular Army. Gentlemen of the House, we should not have reduced the pay of these Regular Army privates and corporals. Witness their humiliation under the circumstances described by Corporal Gallagher. Witness the effect upon their morale. Remember, these men are relied upon to give everything they

have in the service of their country. They are a lot of self-respecting, upstanding, clear-eyed fellows who set a fine example to the rest of us. Gallagher is a type. You will find him today in the Fifteenth Infantry at Tientsin calm in the midst of Asiatic chaos. He endures the drenched heat of the Isthmus. He stands guard in the sunlight of Hawaii and the snows of Alaska. Yes; all too often he is the "forgotten man." But he is human; also, he is a fellow citizen of ours. Let him be treated decently by the Representatives of the people he serves in peace and in war.

The CHAIRMAN. The time of the gentleman from New York has expired.

During the reading of the letter the following occurred:

Mr. BUSBY. Mr. Chairman, I make the point of order that a quorum is not present. The gentleman from New York is making a very interesting speech, and I think he should have a quorum.

Mr. WADSWORTH. Oh, do not do that. I would rather yield the floor than put Members to that trouble.

Mr. BUSBY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN (Mr. McFARLANE). The Chair will count. [After counting.] One hundred and five Members are present, a quorum.

(Mr. WADSWORTH concluded the reading of the letter.)

Mr. BUSBY. Mr. Chairman, I make the point of order that there is no quorum present, and I call the Chair's attention to the fact that a number of gentlemen on the floor are ex-Members, and also to the fact that there are employees of the House on the floor, and I ask the Chairman not to count them in determining the presence of a quorum.

The CHAIRMAN. The Chair will count only Members. The Chair will count. [After counting.] One hundred and one Members present, a quorum.

Mr. BUSBY. The Parliamentarian has not been counted.

The CHAIRMAN. The Parliamentarian informs the Chair that he has counted 102.

Mr. AYRES of Kansas. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. LAMBERTSON. Will the gentleman yield to me?

Mr. TRUAX. I yield.

Mr. LAMBERTSON. As a fellow farmer of the gentleman from New York [Mr. WADSWORTH], I should like to state that the gentleman from New York said something in his remarks at the beginning which interested me very much. He said he was going to make this speech today because he could not be here Monday; that he was going to be at the stockyards at Chicago. That remark created a great deal of curiosity in my mind. I have fat cattle to sell, and I am telling them to hold them because the market is going to get better on account of the inflation. I wonder if the gentleman from New York is going there to buy cattle and put them in the feed yard next Monday because this inflation is coming? [Laughter.]

Mr. TRUAX. In answer to the gentleman's question, I would say, in view of the gentleman's reputation as a good business man, he is going to buy cattle on Monday, not alone because of the inflationary monetary program but also because of the farm relief bill that has been sponsored by the greatest and most constructive President that this country has had in decades, Franklin D. Roosevelt. [Applause.]

Mr. Chairman, it is not my intention to criticize any of the remarks made by the gentleman from New York [Mr. WADSWORTH], but since the gentleman has criticized certain appointees of President Roosevelt and certain policies that have been enacted into law by this Seventy-third Congress, it becomes my duty to make a few observations concerning the farm relief bill.

In the first place, I have been a farmer all my life. Until 1923 every dollar I ever made in the world was made from a farm. Following 1923 I had to seek other sources of income, as did thousands of farmers in this country of ours, to make a living and to pay taxes on my farm. A farm today, my friends, is a very good investment if you have sufficient income to support it. So far as I am concerned,

I am one of those 3,000,000 farmers in this country today who is hanging on by the skin of his teeth. I have done my best.

Mr. BUSBY. Mr. Chairman, a quorum evidently is not present. I make the point of order that a quorum is not present. We should not be proceeding with a handful of Members. I am going to insist that a quorum remain present.

The CHAIRMAN (Mr. McREYNOLDS). The Chair will count. [After counting.] Sixty-eight Members are present; not a quorum.

Mr. AYRES of Kansas. Mr. Chairman, I move that the Committee do now rise.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. BYRNS. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. AYRES of Kansas and Mr. BUSBY to act as tellers.

The Committee divided; and the tellers reported there were ayes 1 and noes 76.

So the motion was rejected.

The CHAIRMAN. Evidently there is not a quorum present. The Clerk will call the roll.

Mr. BUSBY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUSBY. Is the roll call automatic?

The CHAIRMAN. There is no automatic roll call.

Mr. BUSBY. I understand no motion has been made that there be a call of the House.

The CHAIRMAN. The gentleman from Mississippi [Mr. BUSBY] suggested that there was not a quorum present. No quorum is present. The Committee has refused to rise. The Clerk will call the roll.

Mr. BUSBY. Mr. Chairman, I make the point of order that the roll call is not in order, because there is no authority for a roll call in Committee of the Whole.

The CHAIRMAN. The Chair overrules the point of order. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 32]

Abernethy	Cavicchia	Hancock, N.C.	Parks
Adair	Celler	Harlan	Perkins
Allen	Chavez	Higgins	Pettengill
Almon	Connery	Hoeppel	Pierce
Ayers, Mont.	Cooper, Ohio	Hornor	Pou
Bailey	Crosser	James	Reed, N.Y.
Bankhead	Culkin	Jeffers	Sadowski
Beedy	Dingell	Jenckes	Schulte
Berlin	Dirksen	Johnson, W.Va.	Simpson
Black	Douglass	Kee	Sinclair
Blanton	Evans	Kennedy, N.Y.	Sirovich
Boland	Farley	Kinzer	Snell
Bolton	Fiesinger	Kvale	Stalker
Brand	Fitzgibbons	Lea, Calif.	Stokes
Britten	Flannagan	Lehibach	Taylor, S.C.
Brown, Mich.	Ford	Lewis, Md.	Thomason, Tex.
Browning	Foss	Lloyd	Treadway
Brumm	Fulmer	McCarthy	Underwood
Buckbee	Gambrill	McGugin	Whitley
Bulwinkle	Gifford	McSwain	Willford
Burke, Nebr.	Goldsborough	Merritt	Wolfenden
Cady	Goodwin	Montague	Zioncheck
Cannon, Wis.	Griffin	Muldrowney	
Carley	Haines	O'Brien	
Cartwright	Hamilton	Palmisano	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 5390) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes, and finding itself without a quorum, he had directed the roll to be called; whereupon 334 Members responded to their names, a quorum, and he presented a list of absentees for recording in the Journal.

The SPEAKER. The Committee will resume its session.

Mr. TRUAX. Mr. Chairman, I feel that a somewhat further explanation is due to the Members who were so

suddenly called from their labors in their offices. I want to assure them that I was not responsible for this call. I enjoy, I think, the friendship of all the Members of this House. The Speaker of the House has been exceedingly kind to me. So has the Chairman of this Committee, and this Committee itself. I want to give you this explanation of this somewhat unusual procedure.

The gentleman from New York [Mr. WADSWORTH] was delivering an address here and was discussing the merits and demerits of the new farm bill. At one stage of his address he said:

I want no one, including the Secretary of Agriculture, to be a wet nurse to me.

Thereupon my distinguished colleague the gentleman from Mississippi [Mr. BUSBY] made the point of order that there was no quorum present.

After I had started my address I proceeded to the point where I said: "I am one of 3,000,000 farmers in this country who is hanging on by the skin of his teeth, and I am willing to accept any old wet nurse that will pull me out of the hole." [Applause.] Whereupon again the distinguished gentleman from Mississippi made the point of order that there was not a quorum present. Now, as to whether his mind and thoughts were reverting to my remarks a few days ago upon the sex appeal of the American hog I do not know. However, I want to thank the gentleman from Mississippi from the bottom of my heart for getting the Members here on the floor to listen to what I am about to say. [Applause.]

This morning I introduced from the floor of this House a bill which I want each and every one of you, if you please, to give your most serious attention and consideration. I herewith give you 10 good reasons for the immediate enactment of legislation suspending foreclosures:

First. Delay and inaction of Congress and the State legislatures has cost thousands of farmers and home owners their life savings.

Second. The Reconstruction Finance Corporation has loaned more than two billion and a half dollars to banks, railroads, and financial institutions, who hoard this money and will not lend to property owners.

Third. Land values and farm commodities are lowest in history. Foreclosure now is confiscation and legalized burglary.

Fourth. Money is unavailable for property loans because of a money famine. The Seventy-third Congress will remedy this by expansion of the currency.

Fifth. What has been held as law is now regarded as injustice. What was formerly held as orderly Government procedure is now recognized as ruthless tyranny.

Sixth. Each additional foreclosure means lower values.

Seventh. Property owners do not seek dismissal or cancellation of debts. All they want is temporary relief, simple justice.

Eighth. Legislatures of several States have passed or are enacting moratoriums. Ohio will be forced to do likewise.

Ninth. President Roosevelt's farm and home mortgage plans will refinance mortgaged property at low interest rates.

Tenth. Corrective legislation now will prevent wholesale debt repudiation and armed revolution.

The gentleman from New York read a letter from a soldier to prove his point. I want to read to you, as a preliminary to my bill, a letter from a 13-year-old girl back in my State of Ohio. The letter reads as follows:

Am only 13—14 this next April 28, 1933. And how I want to thank you for your stand in asking that foreclosures cease. Mother and daddy have worked unceasingly, scrimpingly, saving every penny, that we children might have a place to call our own home. Right now I'm the oldest, then Billy turned 12, Elaine just now 8, and little Pete just half past 2. You see Mr. Downs, an old gentleman who owns about 35 to 40 houses, has a second mortgage of \$500 on our home and he has threatened to take it away from over our heads. Daddy pays him 8 percent, but is a little back on it; now, this old man is not bluffing, no, siree; because he does that all over and gets the houses; then the Citizens Savings & Loan is foreclosing wholesale here in Mansfield, Ohio. Mr. Bristol is a terrible man, although he hasn't bothered us yet, only once. Mother was in the Thomas Hospital 3½ months; she almost died,

but that didn't make any difference to them! they said so. Now, if daddy had been a bad man or bootlegger, we surely would have been sitting pretty because they seem to be the ones that have their homes paid for, and their stockings ain't full of darns like ours. Our clothes are all made-over things, thanks to mother's needle, but I always have that awful dread when I go to bed of what will happen to our home tomorrow. Am a student of general languages and business training at junior high school, and if you need me down there to tell those gentlemen in Washington, D.C., just let me know; perhaps they never suffered like this when they were 13. May God bless you, Mr. TRUAX; I think you are wonderful, next to those two grandest of all other men, my daddy, and that God-fearing man, a miracle man, President Roosevelt.

EXCERPTS FROM MORATORIUM LETTERS

COLUMBUS, OHIO.

It is certainly encouraging to know there is a bill coming up to the House of Representatives to regulate legal theft, known under several names; I believe we call it sometimes "deficiency judgment", "foreclosure", and numerous others. The American citizen is as much a slave to the system as they were to the old debtors' prison, for he is hounded to desperation as long as he has anything to make him feel he is a respectable citizen.

The buying of land for future homes on land contract is one of those evils, if when unable to pay for this land, which in fact he cannot get under any other terms but c.o.d. if judgments can be placed against him, and jeopardizes his other possessions, it seems as if we should have evolved enough to eliminate such a practice.

These methods are killing the landable instinct of home ownership, and even now is being very much discussed in family circles. Thrift and home ownership are being called illusions if it can be swept away at one stroke by financial institutions. There is much food for thought here.

A CITIZEN.

YOUNGSTOWN, OHIO.

More people in Youngstown are commenting upon your fight to force through this moratorium on mortgages than you could imagine.

There are thousands in Youngstown who, through no fault of theirs, find themselves in middle age facing foreclosure proceeding every day.

Some of these have not had any incomes to speak of for the past 2 years, and consequently are back, both in interest and taxes, and all our banks are taking advantage and selling them out.

We see men crazed almost by these conditions, walking the streets all night long, with murder in their hearts, due to the fact that they are powerless in this crisis.

Youngstown, being an industrial town, is especially hard hit. The banks have been helped, railroads financed, insurance companies getting a moratorium, but the father of the family can find no solution to his problem.

Revolution here is just as possible as it was in Russia when the people are goaded too far.

It is all very well for those in Washington, secure in the knowledge that they have ample, to advise others to be patient, but the "masses" have been patiently waiting over 3 years for help and have had none.

Thank God we have one (yourself) representing us.

ONE OF THE UNEMPLOYED.

Have been watching the proceedings of Congress since March 4 with much interest, and looks as if there might be a better day coming, especially for the farmer.

In regards to a moratorium on farm mortgages, think it is very necessary that some action along this line be taken. Unless there is, farm after farm will have to be abandoned on account of inability of farmers to raise money at present-price levels.

Mr. Hoover signed bill granting a moratorium on Federal land-bank loans, but this should have included joint-stock land-bank loans also.

The receiver of one of the largest joint-stock land banks located in Chicago, capitalized at \$40,000,000, has issued a moratorium on all of their loans for 2 years. It seems to me that since the Federal land bank and the joint-stock land bank of Chicago have allowed these terms, it would be no more than fair that a law be passed to make all farm loans of such nature come under the same ruling, which would eliminate class legislation, which we cannot help but have under these present rulings. The Reconstruction Finance Corporation Act was no doubt beneficial to those organizations, which it was intended to help, but left the farmer out in the cold to work out his own salvation.

If an appropriation could be made by Government to take over these loans at a reduced rate which could be possible by eliminating these agencies which have been in it solely for profit and not interested directly in the borrower. There is no reason why the farmer should not be allowed the use of Government money at a rate lower than charged by corporations. We are directly interested in any legislation along this line, since we have a loan from one of the joint-stock land banks.

On the question of farm difficulties, looking to relief, there should be no relaxation. Farmers must now strike, while it is opportune, that they may get themselves rightly placed in agricultural and economic demands, in advance of the time which is

now upon us, and not find themselves suffering from visionary impositions by those who will argue that prosperity is here, and no attention need be paid to their pleadings. You, of course, know how these things work if those in industry could now effect an impression upon Congress that no further attention need be given agriculture because of a hope in the minds of our people, might effect them adversely over the future.

Now, this home is about to be foreclosed by one of the large insurance companies which has borrowed money from the Reconstruction Finance Corporation. This bill is designed to prohibit farm and home foreclosures and confiscation of real property by financial institutions that borrow money from the Government under the provisions of the Reconstruction Finance Corporation Act. This bill I am proposing states:

Every applicant for a loan under this act shall, as a condition precedent thereto, file a statement that no farm or real property on which the applicant holds a mortgage, shall be foreclosed because of a default in the payment of either principal or interest, or of taxes, the nonpayment of which constitutes a default under such mortgage, during the period for which the loan applied for shall be in effect.

In other words, gentlemen, are we to lend money to these financial institutions for the purpose of selling out and confiscating the homes of the people who pay the taxes?

Back in 1878 Mr. Carlisle said there were only two classes of people in this country, the laborers, the farmers—the workers who create all of the wealth and pay all of the taxes—and the idle holders of idle capital. Today we still have these two classes, and never were the lines of demarcation so clearly defined as now. The question which you must decide is which side will you be on, upon the side of the struggling masses or upon the side of the idle holders of idle capital. You say to us to plead with these money merchants, these money lenders. We say that we have been to them, and their reply was, "Pay up the usurious interest you owe." We entreated with them, and they answered, "Give us our pound of flesh."

And we have begged of them, and they said, "Like the vampire bats, we will suck the blood from your veins by taking deficiency judgments, too."

And so, Mr. Chairman, I say let us save these homes, let us save these little children, for, as the poet has said, the tone of eloquence may paint pictures of thought on the canvas of ideality, the painter's brush may depict in glowing colors the beauty of man's attachment for man, the poetic muse may lend her charming evidence to the voice of the world to teach us brotherhood and good will, but no more superb principles were ever given to mankind than that of owning and maintaining a happy, contented home. This spirit of home environment, home training, and home influence, like the great sea, has ebbed and flowed throughout all the centuries, beating its countless waves of hope and joy against the shores of time and the sands of eternity. And I would remind you gentlemen that when 400 desperate farmers out on the rolling prairies of Iowa go into the court and drag a judge off his bench and twice attempt to hang him, it is time for this Congress to stop, look, and listen and not refuse longer to grant these people their reprieve, their extension.

They seek not a cancelation or a repudiation of these debts. They merely seek an extension of time until by the products from their farms, by their labors when they are reemployed, they may pay off these mortgages, they may pay off these debts and pay the interest and the taxes thereon.

Why, Mr. Chairman, I submit to you that these men, just 13 years ago, were the real aristocrats of this country, the landed aristocracy, the Knights of Nature's Nobility.

Mr. CLAIBORNE. Will the gentleman yield for a question?

Mr. TRUAX. I yield.

Mr. CLAIBORNE. And, today, they are the welchers of the country, are they not?

Mr. TRUAX. I deny that statement. I say they are the victims today of the wet-nursing of the gentleman's minority party for the past 12 years of every industry save agriculture. [Applause.]

Mr. CLAIBORNE. I am a Democrat, but I believe in personal property.

Mr. TRUAX. Does the gentleman believe in property rights over human rights?

Mr. CLAIBORNE. I cannot see any conflict.

Mr. TRUAX. I say that the confiscation of American homes and farms is the most brazen and arrogant form of property rights over human rights in this country. [Applause.]

[Here the gavel fell.]

Mr. AYRES of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

Mr. McKEOWN. Mr. Chairman, there has been a good deal said here this afternoon in regard to artificial legislation affecting the natural laws of economics. Why, Mr. Chairman, the natural laws of economics have hardly had a chance to function in the history of legislation. The creation of money or the fixing of the value of money is an artificiality by which a medium of exchange is to take the place of bargaining. It takes the place of the old process by which we exchanged products for products, like we used to trade coon skins for merchandise in the stores.

They talk about the World War being entirely responsible for the present depression. I want to remind the gentlemen of this committee that three fourths of the people of the world are engaged either in agriculture or in the production of raw products from the mines and the forests and the fisheries of the world. Three fourths of the people in the world today produce their products at less than cost.

Only five nations in the world have any gold to speak of, and five nations of the world have three fourths of all the gold in the world.

Settlements between nations are made by gold in the balancing of trade. Gold is either earmarked for trade or it is shipped from one country to another to balance trade.

The great cotton crop of the United States for 40 years represented the balance of trade between the United States and the European nations. Today there is not sufficient gold in the rest of the world to carry on the commerce of the world. They say they owe us debts which they cannot pay because they have not the gold to pay them with. I want to say here that when the President of the United States, through his Secretary of State, told the debt-paying nations of the world we were willing to accept the next payment in silver, he was taking a step along the right road to bring back world prosperity. Why? Because silver has been the index commodity price and wheat follows silver up and down in its fluctuations in the world market.

I believe we should take silver as a commodity, fixed and based upon a gold standard, and when we do this, then we can afford to say to the foreign countries, "We will allow you more than the present market price because by so doing we lift the price of silver the world over." The minute we lift the price of silver the world over we bring up the value of the money in the Latin American countries, China, and the Far East to a parity where they can buy American goods, then we are going to open the markets of the world and we are going to have world-wide prosperity commence. It would be a startling thing to the reactionaries if the Democrats got prosperity started in this country and all over the world at the same time, but that is what is likely to happen if the President keeps going as he is doing now.

You can go to Mexico and you can get three silver dollars for an American paper dollar. I was down there recently and for a \$5 bill I got 15 silver pesos or dollars.

The Mexican cannot trade with us, because his silver money will not buy in this country in the same proportion as it did in former days. If the foreign countries will pay us in silver, they cannot pay us over \$500,000,000 in silver, because they cannot get it. There is not any more than that in the world to be gotten hold of and brought here. So there is no danger of the United States suffering from an overproduction of silver. There are only about 34,000,000 ounces of silver produced annually in the United States, and if we would say to the debtor nations, "If you will bring

us your silver, we will allow you for it on a gold basis and buy it as a commodity and give you 50 or 60 or even up to 75 cents for it", we would then raise the price of silver over the entire world.

We would also open the markets of China and the Orient, and I may say here that China is one of the few countries that really cares for the United States and really desires to do business with us, because we had sense enough under former administrations to agree that we would take part of the Boxer indemnity and educate their boys in the United States with it; and the best money that the United States could spend today would be to take some of the money that these other countries owe us and let them bring their boys to this country and educate them here.

If we could take these boys from Latin America and bring them to this country, educate them as business men, they would naturally turn to us because they would have a real conception of the American people.

I want to say to you that if they get a conception of the American people it will be different from what they get from the tourists of this country. The tourists have gone abroad with many millions of dollars and by their extravagance and boasting brought this country and the American people into disrepute. If you brought these boys here to see the real American citizens they would appreciate the purpose and intent of our people.

I want to tell you another thing. If we could bring the Mexican boys over here it would not be very long before the bonds of real friendship would be realized.

During my travels in Mexico I was riding over a very bad road, and some of the roads are bad there, I broke down and had to camp. I sent over to a Mexican who had a hacienda nearby, and he sent to me water and milk, and I wondered why he was so friendly. He came to the camp and said to me that he had a boy up at Columbia, Mo., where he was educating him, and anything on earth he could do for me he would be glad to do.

So I want to insist that the United States Government accept from foreign countries all the silver they will pay us and then put it in the Treasury on the gold-standard basis and if necessary we can get our salaries in silver certificates.

Mr. KNUTSON. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. KNUTSON. Would the gentleman credit the foreign countries with the silver they gave us at the present market value?

Mr. McKEOWN. I would raise it enough so that they would bring more in.

Mr. KNUTSON. That would be a rebate, would it not?

Mr. McKEOWN. It would be a rebate, but we could take all the silver they would give us.

Mr. KNUTSON. The gentleman stated that there was only \$600,000,000 of silver in the world.

Mr. McKEOWN. I said they could not bring more than \$500,000,000 worth.

Mr. MOTT. Does the gentleman believe in the free coinage of silver?

Mr. McKEOWN. To this extent—if we are unable to live under the gold standard, if we could bring in one standard and use silver with gold coin—you do not have to have a double standard, but have one standard and coin silver freely, I would be in favor of that.

[Here the gavel fell.]

Mr. BUCHANAN. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman, I have asked for this time to announce to the Membership that I have filed a motion to discharge the Committee on Agriculture from further consideration of the bill H.R. 2855, which is commonly known as the "Frazier bill", introduced in the House by the gentleman from North Dakota [Mr. LEMKE]. The bill provides for refinancing farm loans and that the money shall be derived by the issuance of 1½-percent bonds, which if not sold, and they will not be sold at that rate, will be presented by the Federal Farm Loan Board to the Federal Re-

serve Board as a basis for issuing Federal Reserve notes to loan direct to the farmers. The bill provides that such loans shall be made at a rate of 1½-percent interest and 1½-percent principal per annum.

I am informed that the legislatures of 20 States have passed resolutions memorializing Congress to pass this bill. The motion is now on the Clerk's desk, and all Members of the House interested in the bill who agree with me that it should be enacted into law now have an opportunity to sign the motion and bring the bill before the House for consideration. I would like to see the bill enacted for the benefit of our farmers and the country.

Mr. BUCHANAN. Mr. Chairman, there are five gentlemen to whom I have promised time. I want to say that if they will be here tomorrow promptly after the reading of the Journal, I will give them the time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H.R. 5390, the third deficiency bill for 1933, and had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the bill (H.R. 4606) entitled "An act to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. WAGNER, and Mr. NORBECK to be the conferees on the part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HIGGINS, indefinitely, on account of illness in family.

To Mr. HAMILTON, for the remainder of the week, on account of important business.

To Mr. FARLEY, for 3 days, on account of death in family.

EXPLANATION OF A VOTE

Mr. BYRNS. Mr. Speaker, the gentleman from Ohio, Mr. UNDERWOOD, is unavoidably absent. I am requested to state that he would have voted "aye" upon the rule on the farm-relief legislation and the motion to table the motion to reconsider, if he had been present.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p.m.) the House adjourned until tomorrow, Thursday, May 4, 1933, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

42. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a draft of a bill to remove restrictions against construction on certain parts of Governors Island, N.Y., was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Virginia: Committee on Rules. House Resolution 110. Resolution authorizing the Judiciary Committee to inquire into and investigate the matter of appointments, conduct, proceedings, and acts of receivers, trustees, and referees in bankruptcy; without amendment (Rept. No. 66). Referred to the House Calendar,

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 272. A bill for the relief of Charles W. Eaton; without amendment (Rept. No. 67). Referred to the Committee of the Whole House.

Mr. KNIFFIN: Committee on Naval Affairs. H.R. 289. A bill for the relief of Robert Bennett; without amendment (Rept. No. 68). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 408. A bill for the relief of William J. Nowinski; without amendment (Rept. No. 69). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 507. A bill for the relief of John Thomas Simpkin; without amendment (Rept. No. 70). Referred to the Committee of the Whole House.

Mr. DELANEY: Committee on Naval Affairs. H.R. 669. A bill for the relief of Thomas T. Gessler; without amendment (Rept. No. 71). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 909. A bill for the relief of Elbert L. Grove; without amendment (Rept. No. 72). Referred to the Committee of the Whole House.

Mr. KNIFFIN: Committee on Naval Affairs. H.R. 1404. A bill for the relief of John C. McCann; without amendment (Rept. No. 73). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 2074. A bill for the relief of Harvey Collins; without amendment (Rept. No. 74). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H.R. 2021. A bill to place Jesse C. Harmon on the retired list of the United States Marine Corps; without amendment (Rept. No. 75). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 2040. A bill for the relief of P. Jean des Garennes; without amendment (Rept. No. 76). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 2041. A bill for the relief of Irwin D. Coyle; with amendment (Rept. No. 77). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H.R. 2287. A bill for the relief of Warren Burke; without amendment (Rept. No. 78). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H.R. 2535. A bill for the relief of Burton Bowen; without amendment (Rept. No. 79). Referred to the Committee of the Whole House.

Mr. DELANEY: Committee on Naval Affairs. H.R. 2536. A bill for the relief of Raymond C. Bogart; with amendment (Rept. No. 80). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H.R. 3167. A bill for the relief of Sue Hall Erwin; without amendment (Rept. No. 81). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H.R. 3423. A bill for the relief of Benjamin Wright, deceased; without amendment (Rept. No. 82). Referred to the Committee of the Whole House.

Mr. BRITTEN: Committee on Naval Affairs. H.R. 276. A bill to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va.; without amendment (Rept. No. 83). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on the Public Lands was discharged from the consideration of the bill (H.R. 5374) authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora Grant, N.Mex., and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PARKER of Georgia: A bill (H.R. 5476) to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. FOSS: A bill (H.R. 5477) to fix the rates of postage on certain periodicals exceeding 8 ounces in weight; to the Committee on the Post Office and Post Roads.

By Mr. PETERSON: A bill (H.R. 5478) to provide for a preliminary survey and examination along the Gulf coast of the State of Florida from the Caloosahatchee River to the Withlacoochee River, with a view to the improving of the present intracoastal waterway and to secure sheltered waterway where none now exists between these two points with a view to securing a waterway 9 feet deep and approximately 100 feet wide, and for the purpose of affording suitable exit to the north for craft using the Okeechobee Cross-Florida Canal and to provide a connection with the Gulf Coast Intracoastal Canal; to the Committee on Rivers and Harbors.

By Mr. BRITTEN: A bill (H.R. 5479) to authorize the building up of the United States Navy to the strength permitted by the Washington and London Naval Treaties; to the Committee on Naval Affairs.

By Mr. RAYBURN: A bill (H.R. 5480) to provide full and fair disclosure of the character of securities sold in interstate and foreign commerce and through the mails, and to prevent frauds in the sale thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON: A bill (H.R. 5481) to provide for a preliminary survey and examination of Crystal River, Fla.; to the Committee on Rivers and Harbors.

Also, a bill (H.R. 5482) to provide a survey and examination of Caseys Pass, Fla.; to the Committee on Rivers and Harbors.

By Mr. GREEN: A bill (H.R. 5483) to assist in relieving unemployment and reviving industry by authorizing emergency appropriations for highway construction; to the Committee on Roads.

By Mr. CELLER: A bill (H.R. 5484) to provide for the establishment of a Federal Railroad Corporation, to provide for the redistribution of the executive, administrative, and judicial functions of railroad operation and control among proper and separate agencies, to provide for the vesting of executive responsibilities and management and control of railroads among the railroads of this country, under regulation and control that will stimulate the transportation industry under supervision that will again permit individual initiative and successful operation, and to establish a more effective machinery for rendering financial assistance to the railroads of this country in order that a more efficient, economical operation thereof may be assured, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. IGLESIAS: A bill (H.R. 5492) to extend to Puerto Rico the provisions of the act entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes"; to the Committee on Insular Affairs.

By Mr. DE PRIEST: Joint resolution (H.J.Res. 171) proposing an amendment to the fourteenth amendment to the Constitution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARPENTER of Nebraska: A bill (H.R. 5485) for the relief of James Colton; to the Committee on Claims.

By Mr. JOHNSON of Minnesota: A bill (H.R. 5486) for the relief of certain riparian owners for losses sustained by them on the drained Mud Lake bottom in Marshall County in the State of Minnesota; to the Committee on Claims.

Also, a bill (H.R. 5487) for injury sustained by Robert W. Krieger; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H.R. 5488) to correct the military record of James H. Overbaugh; to the Committee on Military Affairs.

By Mr. UNDERWOOD: A bill (H.R. 5489) granting an increase of pension to Julia A. Hull; to the Committee on Invalid Pensions.

Also, a bill (H.R. 5490) granting an increase of pension to Elizabeth Foughty; to the Committee on Invalid Pensions.

Also, a bill (H.R. 5491) for the relief of Esther M. Frey; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

866. By Mr. BEITER: Petition of the Naval Post Auxiliary, No. 368, Buffalo, N.Y., opposing recognition of Soviet Russia by the United States; to the Committee on Foreign Affairs.

867. By Mr. CULLEN: Petition of the Young Men's Board of Trade, New York, expressing its opinion that the treaty which has been negotiated with Canada by the State Department to provide for the canalization of the St. Lawrence River should not be ratified by the Congress; to the Committee on Foreign Affairs.

868. Also, petition of the Central Trades and Labor Council, Greater New York and Vicinity, vigorously protesting against the 15-percent reduction in pay for Federal employees, on the basis that it tends to undermine the very foundation of the living standards of all workers, both in private and Government industry; to the Committee on Appropriations.

869. Also, petition of the American Legion in Kings County, Department of New York, strongly opposing the elimination of the regional office of the Veterans' Administration, New York City, and further opposing the further reduction in the sum of \$434,000,000 of funds to be disbursed by the Veterans' Administration, now projected before the Federal Director of the Budget; also deploring the fact that the activities of the Brooklyn Naval Hospital will be curtailed so that veterans of the World War will be excluded from treatment; to the Committee on World War Veterans' Legislation.

870. By Mr. EDMONDS: Petition passed by the Legislature of the Commonwealth of Pennsylvania, requesting that Congress do not pass any act requiring the blending of gasoline and alcohol; to the Committee on Ways and Means.

871. By Mr. JAMES: Resolution of the City Commission of the City of Wakefield, Mich., heartily endorsing House bill 4801 to release the States, Territories, municipalities, and political subdivisions from obligation to repay relief funds received under title I of the Emergency Relief and Construction Act of 1932, and for other purposes; to the Committee on Banking and Currency.

872. By Mr. JOHNSON of Minnesota: Resolution of William R. Witty Post, No. 37, American Legion, St. Peter, Minn., in reference to Veterans' Administration; to the Committee on Ways and Means.

873. Also, petition of the City Council of the City of Duluth, Minn., in the matter of slashing appropriations for the National Guard; to the Committee on Military Affairs.

874. By Mr. LEHR: Petition of Dixie Distributors, Inc., of Michigan, seeking a revision of the Revenue Act of 1932, so that independent oil jobbers and dealers can, on equal basis, bid for gasoline, oil, and lubricants required by the

States and political subdivisions thereof, and that the revenue act be modified and amended so that such refund and credit can be secured and claimed by permitting the States and the political subdivisions thereof to execute and deliver appropriate affidavits to the jobber and dealer from whom such products were purchased, and such jobber and dealer can secure the credit for the taxes paid thereon from the refiner and manufacturer from whom the gasoline, oil, and lubricants were purchased, and the refiner and manufacturer in turn secure credit from the Internal Revenue Department; to the Committee on Ways and Means.

875. By Mr. LINDSAY: Petition of New York Women's Trade Union League, New York City, favoring the Black bill, S. 158; to the Committee on Labor.

876. Also, petition of National Federation of Post Office Clerks Substitutes' Committee, Local No. 251, Brooklyn, N.Y., favoring return of 2-cent postage for first-class mail, 30-year retirement bill, and House bill 5206, introduced by Mr. RUDD; to the Committee on Ways and Means.

877. Also, petition of Asbestolith Manufacturing Co., New York City, opposing House bill 3759; to the Committee on the Judiciary.

878. Also, petition of A. D. Juilliard & Co., Inc., New York City, opposing House bill 3759; to the Committee on the Judiciary.

879. Also, petition of National Woman's Party, New York City, urging support of the equal-rights amendment, House Joint Resolution No. 1; to the Committee on the Judiciary.

880. By Mr. RUDD: Petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., opposing the passage of the Disney bill, H.R. 4681; to the Committee on Interstate and Foreign Commerce.

881. Also, petition of A. D. Juilliard & Co., New York City, opposing the passage of House bill 3759; to the Committee on the Judiciary.

882. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N.Y., favoring the passage of House bill 4677, for a survey of the Delaware and Raritan Canals, N.J.; to the Committee on Rivers and Harbors.

883. Also, petition of Asbestolith Manufacturing Co., New York City, opposing the passage of House bill 3759 or any similar bill; to the Committee on the Judiciary.

884. By Mr. STOKES: Petition of the Senate of Pennsylvania, and concurred in by the house of representatives, against the blending of alcohol with gasoline; to the Committee on Ways and Means.

885. By Mr. SWICK: Petition of the Senate and House of Representatives of the State of Pennsylvania, opposing legislation by Congress to compel the blending of alcohol with gasoline; to the Committee on Ways and Means.

886. By Mr. WATSON: Resolution adopted by the Senate of Pennsylvania, relative to the blending of alcohol with gasoline; to the Committee on Ways and Means.

887. By Mr. WERNER: Petition of 1,700 employees of the Homestake Mining Co., of Lead, S.Dak., protesting against the passage by Congress of the Black bill, S. 158, to prevent interstate commerce in certain commodities and articles produced or manufactured in industrial activities in which persons are employed more than 5 days per week or 6 hours per day; to the Committee on Labor.

SENATE

THURSDAY, MAY 4, 1933

(Legislative day of Monday, May 1, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days of May 1, 2, and 3 was dispensed with, and the Journal for those days was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.